

The NATIONAL UNDERWRITER

Life Insurance Edition

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Announcement

The National Underwriter Company has purchased the handbook or state insurance directory business of the "Underwriters Report" of San Francisco covering California, Oregon, Washington, Montana, Idaho, Utah and Nevada.

The "Underwriters Report" was the original publisher of handbooks in these states, having issued its first books 28 years ago. In making the purchase, The National Underwriter Company is acquiring all rights, title, interest and good will in the handbooks for these states. The "Underwriters Report" is disposing of this branch of its business so that its staff may concentrate on the publication of the paper itself, and the insurance telephone directories for San Francisco, Los Angeles and other Pacific Coast cities, which it originated.

The acquisition of these Pacific Coast and mountain states handbooks will considerably broaden the handbook publishing scope of The National Underwriter Company, which will, in the future, be publishing handbooks for 31 states, and the province of Ontario. The National Underwriter's handbook department is located in Cincinnati in charge of Vice-president C. C. Crocker. Mrs. Nell Boner is chief compiler. This is one of the most important publishing activities of The National Underwriter. Its handbooks, published for most of the important states, are the standard works of their kind. The books to be published for the states just acquired will be uniform with those now being issued, and will contain the same complete information.

The NATIONAL UNDERWRITER

The leading Weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

FRIDAY, NOVEMBER 25, 1938

Why Acacia Agents Enjoy Unusual FINANCIAL SECURITY

Acacia offers:

- | | |
|---------------------------|---------------------------|
| I. First Year Commissions | IV. Disability Benefits |
| II. Monthly Income | V. Death Benefits |
| III. Quality Bonus | VI. Retirement Privileges |

Acacia's Opportunity Contract is a distinctly different plan of compensation, years removed from the experimental stage.

It makes an agent's income more regular.

It gives greater reward for quality business.

It helps an agent increase his income, even in depression years.

It eliminates an agent's fears about the financial future of himself and family.

This contract puts a premium on permanency of employment and offers an incentive to build on quality business. Earnings do not decrease in later years as they would under the usual renewal contract; instead, an Acacia agent increases his compensation every time he adds \$25,000 to his insurance in force.

An agent working under an ordinary renewal contract has two handicaps—an automatic decrease in renewal commissions every year after the tenth, and lessened earnings in later life through decreased production because of reduced activity.

Instead of having to contemplate the position in which he would ordinarily find himself as a result of these two handicaps, an Acacia agent can look forward to a steadily increasing monthly income and a substantial competence for his old age, aided and encouraged by the Company through reduced production requirements at sixty and again at sixty-five.

Passing years *do* take their toll, and lessened physical energy *is* reflected in decreased earnings.

Acacia realizes this fact and helps the agent solve his old-age problem.

He can participate in a voluntary and mutually-contributory retirement plan.

He is safeguarded in his daily work against the ever-present hazard of permanent or even temporary total disability.

His family is assured of the continuance of income for a period of years after his death.

Everything possible has been done to lessen worry or concern about the future, thereby enabling the agent to work with maximum effectiveness.

Acacia is proud of this great forward step — increased compensation, permanency of employment and security in old age, through the Acacia Opportunity Contract. It is all described in an interesting booklet

ACACIA MUTUAL LIFE INSURANCE COMPANY

WILLIAM MONTGOMERY, President

Branches in Sixty Principal Cities

Home Office, Washington, D. C.

CHARTERED BY THE CONGRESS OF THE UNITED STATES IN 1869

The NATIONAL UNDERWRITER

Forty-second Year—No. 47

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 25, 1938

\$3.00 Per Year, 20 Cents a Copy

Concern Felt for Prospect Scarcity After the Year-End

Some Agencies Already Are Taking Steps to Meet Unique Situation

NEW YORK—So intensively are agents combing their prospect lists with a view to selling every possible potential customer before the policy changes go into effect Jan. 1 that general agents and managers are already giving much serious thought to what is going to happen after the first of the year and some of them are already taking steps to combat the inevitable letdown. There is always such a reaction after an important restriction in policy contracts, perhaps the most conspicuous example being the change in disability rates and provisions in the middle of 1930.

The Jan. 1 deadline, however, is unique so far as New York business is concerned. Here it is not a matter of the companies fixing a date after which no more business can be delivered. The approaching deadline is a matter of state law. On Jan. 1 and thereafter it will be as illegal to deliver a policy with a 6 percent policy loan interest rate as to sell one of the old outlawed tontine contracts. Thus, the usual 60 days allowed for placing issued contracts cannot be allowed, no matter what the circumstances and no matter how much companies might like to extend the deadline. Agents will be up against a statute, not a company order.

Unique Situation

All this means that, faced by an absolute Jan. 1 deadline, agents are going to do their utmost to bring every prospect under the wire if there is the remotest chance of selling him. It also means that the prospects who didn't buy on the old basis are going to be virtually impossible to sell on the new basis except for extraordinary cases where prospects may fall heir to unexpected inheritances or enjoy a sudden promotion and increase in salary.

One general agent, for example, is having his clerical staff go through medicals in the files and get out the names of the relatives of applicants given in the application. It is recognized that the crying need after the first of January will be new names on the prospect list. It is possible that even some of the most active agents will be unable to cover their entire prospect lists adequately between now and the deadline for applications on existing policies, which varies with companies between the first and middle of December. However, prospects who are not seen during that time are most likely those that are recognized by the agent, either consciously or unconsciously, as

MANY MAKE CHANGES

Summary of the Course Pursued by the Larger Life Companies

By JOHN H. RADER
Statistician The National Underwriter

In response to numerous inquiries this summary of high points has been prepared along lines of the most frequently occurring questions. By the time this is in the hands of the reader there will probably be several more names to be added to the list of changes but the general trend of such changes is rather definitely established. I will give the questions that have come to our department.

* * *

Q. What companies thus far have announced reduction of guaranteed interest rates from 3 percent to 2½ percent on funds left with the company.

A. Fifteen large companies have made early announcements of their change to 2½ percent interest guarantee on certain settlement options where no life contingency is involved. More announcements are coming in every day, and those that have been made public so far are as follows: Aetna; Connecticut Mutual; Equitable, Iowa; Massachusetts Mutual; also Mutual Life of New York; Mutual Trust; National, Vt.; New England Mutual; New York Life; Northwestern Mutual; Penn Mutual; Provident Mutual; Prudential; State Mutual.

* * *

Q. Are the announcements of all companies exactly the same in treating this subject?

A. There are two general types of changes being made; the first, and most general, is the adoption of 2½ percent as the guaranteed rate of interest on all options except those which provide some form of lifetime income; the second type applies the 2½ percent interest to the trust fund option only and continues 3 percent interest guarantee on all funds which are to be paid out in regular installments. This second plan is being followed by the Provident Mutual Life and also by the Prudential mentioned above; all others in the list follow the first plan. In both types we find that the options which provide for a life annuity or a guaranteed period and life thereafter, are being based on the new annuity tables and 3 percent interest. Figures for monthly income differ a few cents between the several companies even though the same general basis is used.

The Metropolitan change involves life incomes only and replaces the "20 years certain and life" with an installment refund annuity.

* * *

Q. What effect will this have on contracts already issued?

A. These changes will have no effect on policies now in force nor on policies issued between now and Jan. 1, 1939, except in the case of the Prudential whose change goes into effect on Dec. 1, 1938. In fact, there is not likely to be any difference between the actual income received on old policies and that received on new policies under the options which do not provide a life income, because it

is the practice of the companies to pay such rate of interest as is justified by current earnings regardless of the lower amount which may be guaranteed. Therefore, so long as the companies are able to pay 3 percent interest on such sums, the incomes on these new contracts will be the same as on contracts guaranteeing 3 percent.

Q. On the guaranteed interest rate basis, how much would have to be left at interest at 3 percent to produce \$100 a month? How much at 2½ percent to produce \$100 a month?

A. On the guaranteed interest basis, disregarding excess earnings, a \$100 monthly income from interest only will be provided by the following amounts: 2½ percent, \$48,600; 3 percent, \$40,547; 3½ percent, \$34,832. Thus, it will be seen that a drop of ½ percent in the interest rate requires that roughly 17 percent more money be left on deposit to produce the same income. The limited installment option which pays the income from both principal and interest requires the amounts shown in the table below to provide \$100 monthly income for such periods of time as are indicated by the years in the first column:

Years	2½ %	3 %	3½ %
1	\$1,185	\$1,181	\$1,178
2	2,340	2,327	2,316
3	3,467	3,439	3,416
4	4,566	4,518	4,478
5	5,629	5,565	5,504
6	6,686	6,582	6,496
7	7,707	7,568	7,454
8	8,703	8,525	8,380
9	9,675	9,455	9,275
10	10,623	10,356	10,139
11	11,548	11,231	10,974
12	12,450	12,080	11,781
13	13,331	12,905	12,560
14	14,190	13,704	13,314
15	15,028	14,481	14,041
16	15,845	15,234	14,744
17	16,643	15,965	15,424
18	17,421	16,674	16,080
19	18,180	17,363	16,714
20	18,921	18,031	17,327
25	22,362	21,088	20,093
30	25,403	23,719	22,422
35	28,092	25,984	24,383
40	30,467	27,934	26,035
45	32,567	29,613	27,425
50	34,424	31,058	28,595

Mortality Favorable Thus Far in 1938

Almost all life companies report this year that their mortality is very favorable. They are glad of this because they need a bolstering up of their profits. With interest earnings in decline and with expense loading offering but little or no salvage, the companies are relying entirely on their mortality profits. The general population mortality in 1938 has been favorable. Therefore, the life insurance experience reflects this condition.

Double Indemnity Firmly Entrenched Underwriters Say

Speakers at N. Y.
Meeting Favor Inclusive Coverage, Few Exceptions

NEW YORK—The Home Office Life Underwriters Association at its annual meeting elected the following: President, John M. Laird, vice-president Connecticut General; vice-president, Leigh Cruess, underwriting vice-president Home Life of New York; vice-president, J. D. Williamson, assistant actuary Canada Life; secretary, Douglas S. Craig, assistant manager ordinary department Metropolitan Life; treasurer, G. E. Rogers, Jr., supervisor ordinary issue and underwriting departments Prudential; editor, R. B. Gordon, vice-president State Mutual.

Council members for two years are: Frank J. Halliday, assistant actuary Acacia Mutual; Henry H. Jackson, actuary National Life of Vermont; J. Q. Taylor, assistant secretary Northwestern National; A. C. Webster, superintendent of underwriting Equitable Society. The semi-annual meeting will be held at Washington in May.

Underwriting problems in the double indemnity benefit and in state laws were treated during the session.

Preceded by an occupational committee meeting, the regular fall session was opened with a presidential address by H. F. Larkin, Connecticut Mutual vice-president.

The historical development and present day experience of the double indemnity provision were covered by Lewis M. Robotham, secretary life department Travelers, following a talk on "Fifty Years' Experience in the Selection of Risks" by Dr. Arthur Hunter, vice-president New York Life.

Effect of Competition

Objections to the accident provision in life policies were overruled by competition, by the urgency of field representatives and by public desire, Mr. Robotham asserted, and now 34 years old, the provision has become generally accepted in the past 20 years. Quoting from another study, the speaker said 72 of 76 companies make payment contingent on death within 90 days of the accident. He listed the various limitations under which claims are voided in a representative group of companies.

"It seems desirable to make the coverage as inclusive, and the exceptions as few as possible," Mr. Robotham said in discussing court rulings on claims. "It is better than an occasional malefactor should succeed than that one deserving claimant should fail."

"If the underwriter," he continued, "can do little to influence the course of the courts he can do much to reduce the quantity of grist headed for the court

(CONTINUED ON PAGE 15)

Survey Yields Many Suggestions for Avoiding Underwriting Delays

NEW YORK—Much can be done by home office underwriting departments, by agencies and by agents themselves to bring about a better understanding between the home office and the field in selection matters with a resulting saving of time on issues and of some of the business that is lost through undiplomatic handling. A. J. Ostheimer, III, Philadelphia broker and life and qualifying member of the Million Dollar Round Table, said in his address before the Home Office Life Underwriters Association here, Mr. Ostheimer's talk was based on a comprehensive survey among agents and representative home offices. He advanced a number of specific suggestions whereby all concerned could improve the situation materially.

Pointing out that the novice should learn at his earliest opportunity to distinguish between business that is acceptable to the underwriters and that which is not, Mr. Ostheimer said that generally speaking every delay in issuing policies can be attributed to action or inaction, directly traceable to the applicant, the field officer, the medical examiner, the home office, or the agent, although because many delays originate in a combination of errors or misunderstandings it is often well nigh impossible to segregate and distinguish the different factors.

Working by Indirection Best Bet Among Public

"Inasmuch as we cannot launch a direct campaign to educate the buying public on underwriting problems, I believe that our only chance to improve the situation is by indirection, through those persons in our industry who are daily meeting with the prospect," Mr. Ostheimer said. "If properly informed themselves, and aware of the true importance of this subject, they could, in many cases, make the buyer more appreciative of the underwriting side of the picture, thereby producing a more friendly and cooperative spirit."

In connection with medical examiners, Mr. Ostheimer said that doctors often fail to obtain from the applicants and to write in their reports sufficiently detailed information, delays being due either to the examiner's being in a

hurry to get to another case or failing to report correctly all the information at his disposal or to get information that could easily be obtained. Also, he may not be entirely familiar with the instructions previously given him by the home office.

"However, in all fairness, there are numerous instances where a combination of factors beyond his control—such as lack of information and training or faulty tools with which to work—may involve him in creating delay," Mr. Ostheimer contributes. "In addition, the applicant might not be completely sold, and therefore not talkative. He might be a strong, silent fellow. Or he might really be attempting to hide something. Incidentally, he might just be scared. Likewise the field office and/or the agent may not have given the examiner all pertinent data necessary for the best possible job."

Suggests Further Training for Examiners

Mr. Ostheimer offered the following suggestion: Instigate a campaign to educate examining physicians, using letters to point out errors generally made, or just committed by the addressee, teaching the examiner to view the applicant through trained eyes, as an actual insurance risk rather than just a source of revenue; enlist the support of the field force in this educational work so local offices and agents will discuss medical problems with the examiner; encourage the field offices to provide the examiner with proper information before he makes the examination, so that potential omissions can be avoided; permit or instruct the examiner to contact the attending physician whenever possible to ascertain whether the applicant's given reasons for seeking medical advice have been completely and properly stated, thereby eliminating a considerable number of supplementary papers; permit or instruct the examiners to proceed immediately on their own initiative or at the request of the field offices to remeasure or reweigh the applicant or to collect other specimens or blood pressure readings or obtain other additional data without waiting specific instructions customarily sent from the

home office medical department after a lapse of several days; route examinations and other medical papers (except those of unusual or highly confidential nature) through the local offices so that they can be checked for omissions and obvious inaccuracies, and prompt corrections secured and time saved; review medical examination forms to be sure they are up to date, asking no unnecessary questions and yet including all that are relevant. Perhaps further questions might enable the examiners to give sufficient information of certain types of histories; (such as tonsillectomy, appendectomy, etc.) which can actually be viewed by the examiner and reported upon in sufficient detail to eliminate the need for additional forms from attending physicians.

Tells How Quality of Examiner Service Drops

Mr. Ostheimer commented on the wide variation in type of service that a company might expect to get for the usual \$5 medical fee, pointing out that a young doctor commences making insurance examinations when his practice is small and he will then do an excellent job but later on he becomes so successful that he cannot devote much time or thought to examinations and additional requests and certainly cannot afford to continually improve his knowledge of the company's requirements. In spite of this patent fact, in most cases a company will not remove an examiner except in extreme circumstances, Mr. Ostheimer observed.

"It is probably fair to state that the majority of examiners are selected for their training in medical schools and hospitals and little importance is attached to personality, interest in insurance work (other than in the remuneration) and ability to cooperate with the field force," the speaker said. "Please do not think for one minute that this statement is a brief for any field man's desire to use a doctor whom he can control, even if that were possible, but I believe that the field force has a right to suggest that companies should only use men who have the time, and are willing to furnish all information.

"Therefore, I think each examiner should be checked periodically to ascer-

tain whether he is qualified along the lines that I have just outlined and whether his knowledge is in tune with modern trends. He should not be continued merely on his past record."

As to delays and troubles traceable to the field office, Mr. Ostheimer questioned whether the office's executive staff fully understands what problems the home office underwriter faces, what he needs to know, how the information can best be obtained, and how papers should be presented for the selection department's perusal. The answer is "no" in most cases said Mr. Ostheimer. He laid at least part of the responsibility on the home offices because they have not placed sufficient stress on the composite underwriting picture to encourage a sympathetic appreciation or a thorough working knowledge. If the local office does not know, how can the agents be expected to have the proper slant on the diverse problems of the underwriting department, Mr. Ostheimer asked.

Shows What Efficient Handling Can Achieve

He said that in many cases the local office has the information but only one or two people know of its whereabouts and how to interpret it. It is not enough, he said, merely to give the office the proper material, but the staff must be constantly shown how to apply it and why it should be reviewed. Furthermore, while question-answering and fact-getting are duties of the agent and the examiner, it is proper to hold the branch office partly responsible for the large number of errors and omissions that are apparently found, Mr. Ostheimer said.

"To prove that the field office is actually at fault, it is only necessary to question those companies who now have branch offices with expert new business departments," he said. "They will attest to the difference between the number of minor delays from an office so equipped and from offices lacking such trained personnel. I would encourage each office to have at least one person whose regular duties include the supervisory control of all new business.

"This individual should be made re-

(CONTINUED ON PAGE 14)

WILL SPEAK AT ANNUAL MEETING OF LIFE PRESIDENTS



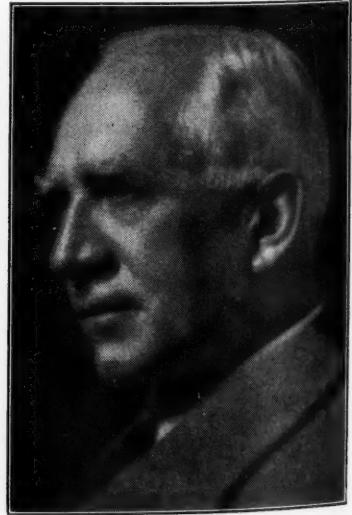
FRANK N. JULIAN
President Commissioners Association



DR. HAROLD M. FROST
Medical Director New England Mutual



J. L. ILSLEY
Minister of National Revenue of Canada



NORMAN H. DAVIS
Chairman American Red Cross

McAndless Is to Be President; A. F. Hall, Chairman

Change in Lincoln National Titles Not to Change Relative Positions

Arthur F. Hall, president of Lincoln National Life, has now decided that next February is the time for the step to be taken that has been in blue print for some time—the election of A. J. McAndless as president and Mr. Hall as chairman. Mr. McAndless is now executive vice-president. The announcement is made that the change will take place at the annual meeting Feb. 1, 1939.

Mr. Hall has taken a great deal of satisfaction in saying for the past several years that he could pass from the scene at any time without causing a ripple in the organization, because McAndless was at hand to take over the presidency. Everyone in the Lincoln National has known that Mr. McAndless some day would be the president and practically everyone else in the life insurance business knew the same thing. The only question has been when that day would be. That question has now been answered.

Relationship Not Changed

The relative position of the two men will not be changed by the change in title. Mr. Hall will continue to be the chief executive officer as he has been and Mr. McAndless will be the second in command, as he has been for some time.

Mr. Hall was one of the founders and organizers of Lincoln National Life in 1905. He served as secretary, manager and first vice-president before being elected president in 1923. He has been a director ever since the company was organized.

Mr. McAndless went with Lincoln National in 1919 with the title of assistant secretary. He became secretary in 1926, a vice-president in 1934 and executive vice-president in 1936. He has been a director since 1934.

At the last annual meeting of the American Life Convention, Mr. McAndless was elected a member of the executive committee of the American Life Convention and is regarded as presidential timber.

Talent in Management

Mr. Hall has had a remarkable talent in management. He has put his faith in manpower. He has sought to surround himself with men of capacity and then he has delegated to them responsibility and has encouraged them to exercise resourcefulness. One of his theories has been that each executive should, by shedding as much of the job as possible on subordinates, get himself in the position where he has nothing to do. When an executive has nothing to do, Mr. Hall believes, then he becomes of real value to the company. He is free to use his imagination. He is not bound by the close detail of the hour and he is in a mental condition to create new and worthwhile work for himself.

Mr. Hall has on numerous occasions employed a man merely because that man had ability, not because there was any place in the organization for him. Mr. Hall has gone on the theory that a man of ability will create a place for himself and is a good investment. Many Lincoln National men have been picked up by other companies and Mr. Hall has gotten satisfaction from the advancement that they have made.

Mr. McAndless probably comes as

SEC Probe Starts with Metropolitan

Company Has Shown Cooperative Spirit in Monopoly Investigation

WASHINGTON—Based on the results of the questionnaire recently sent to insurance companies, the Securities & Exchange Commission now is engaged in an exhaustive study of the investment policies of Metropolitan Life.

This is the first organization to be taken up for study in the inquiry which SEC is making for the temporary national economic (administration monopoly) committee, on the effect of insurance company investment policies upon monopolistic trends in other countries. The analysis is being made with the cooperation of F. H. Ecker, chairman, and other Metropolitan officials.

SEC Disclaims "Witch Hunt"

SEC officials have repeatedly stressed that there is no suggestion that the insurance companies are engaged in monopolistic practices and that the survey is not to be a "witch hunting" expedition. The major purpose of the inquiry, from the commission's viewpoint, is to develop legislation which would make it necessary for corporations selling

(CONTINUED ON PAGE 25)

close to being what Mr. Hall regards as an ideal executive as anyone in the business. Mr. McAndless is an all around life insurance man, familiar with detail yet possessing imagination. He is regarded as aggressive, but not a plunger.

Mr. McAndless was connected with the old Grange Life of Michigan. He then served as actuary of the Detroit Life. His next move was to Lincoln National.

October Best Ordinary Month Since January

Ordinary life sales for October were the best on a monthly comparative basis since January, according to the Sales Research Bureau. Sales for October were off 13 percent compared to 20 percent for the year. The New England, middle Atlantic and east north central sections which are below the average for the year to date, showed an upward swing in October. The best records are being shown in the west, south central and south Atlantic sections. Los Angeles was the only large city to show a gain in October with 1 percent increase.

Ordinary sales by sections and cities on a comparative basis follow:

SALES BY SECTIONS

	October, 1938	Year to Date	Sales Ratios	Volume 1938	Year to Date	Sales Ratios	Volume 1938
	In	to	In	In	to	In	to
U. S. total..	\$488,956	87	\$4,889,472	30			
Sections—							
New Eng. ..	35,105	87	349,017	75			
Mid. Atlantic	139,695	89	1,337,459	77			
E. N. Cent. ..	103,323	80	1,047,384	75			
W. N. Cent. ..	49,986	88	514,024	89			
S. Atlantic..	46,365	90	464,173	82			
E. S. Cent. ..	18,941	83	200,083	83			
W. S. Cent. ..	40,218	96	413,783	94			
Mountain ..	13,504	85	142,049	88			
Pacific ..	41,819	87	421,500	85			

CITY SALES RATIOS (1938 to 1937)

	October	Year	to	Date
	%	%	%	%
Boston	94	82		
Chicago	88	79		
Cleveland	67	70		
Detroit	69	63		
Los Angeles	101	89		
New York	93	76		
Philadelphia	79	75		
St. Louis	92	85		

Ohio State's Convention Jan. 30-31

The annual agency convention of the Ohio State Life will be held in Columbus Jan. 30-31.

THE LESSON COST \$150

A seasoned Underwriter's story of how when a cub writer learned that his insurance relations with a prospect should be confidential. Said he:—

"I was a youngster, and had written my first big case—that is, big for me in those days. The commission was \$150. I was so excited that at every call I told how Mr. SoandSo had just signed a large application. The policy came, and I went to deliver it. Did I deliver it? I did not! He angrily enlightened me.

"His banker was a part-timer, and he had frequently been beholden to that banker for accommodations. I had bragged to the banker. This he told me, adding that the banker said, 'You're a nice pal! Here I make loans to you, whenever you ask for them. And now when you're taking some life insurance you pass me by, even though you know I sell it!' Flabbergasted I went right off to my old Judge friend and told him. 'My dear boy,' his answer, 'transactions between an Agent and his prospective client are and should be confidential.'

Both expediency and professional ethics demand the upholding of confidential relationship.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

Wm. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Guessing Period Is at Hand as to Commissionerships

Possibilities Scanned in States Where Administration Will Shift

Much speculation is being heard in Oregon regarding the decision that Governor-elect Charles A. Sprague, Republican, is likely to make in the selection of insurance commissioner. During the incumbency of Commissioner Earle, the present holder of the position, the legislature increased the salary of the office from \$3,600 to \$5,000 per year. This fact alone will lead to a lively contest for the job.

Although Mr. Earle is a Democrat, it is not altogether certain that his head will fall. In the Democratic primaries he supported Governor C. A. Martin, who lost to Henry Hess. Many of the Martin adherents failed to support Hess and it is understood that Mr. Earle was one of that number. The disaffection of the Martin Democrats is said to have increased the vote for Sprague from some 13,000 to 54,000.

The insurance commissioner in Oregon is appointed by the governor. The term is four years and it was the intent of the law that the appointment should not exceed the term of the governor. It so happened, however, that Mr. Earle and many of his predecessors were appointed to complete unexpired terms. This has resulted in appointments being made about every two years. The governor is empowered to remove the commissioner "when in his judgment the good of the service requires it." As a result it has become a precedent that the commissioner is shifted when the administration shifts.

Mr. Earle was appointed to complete the term of Commissioner Averill and assumed office early in 1934. Upon the termination of that term, he was re-appointed.

A statement has been published in Oregon that the Democratic organization intends to do all in its power to bring about the removal from state offices of all those who refuse to give their support to Hess.

The senate and house of Oregon are strongly Republican.

HANNA WILL BE REPLACED

BALTIMORE — Governor-elect O'Connor states that he has given no consideration to appointments and will not take up the list for some time, perhaps not until next April. The term of Commissioner Hanna, Republican, expires next May 1. He will undoubtedly be replaced by a Democrat. The office pays \$6,000 a year and is regarded as one of the juiciest at the disposal of the governor. The appointment is for four years, being concurrent with the term of the governor.

KEEN INTEREST IN TEXAS

AUSTIN, TEX.—There is much speculation and uncertainty in Texas as to whether there will be a change in the position of life insurance commissioner, who is ex-officio chairman of the state insurance board, upon the induction Jan. 17 of the new governor, W. Lee O'Daniel. The fact that O'Daniel was wholly unknown to politics prior to his campaign makes it impossible to anticipate his action.

Judge R. L. Daniel of Victoria has been life insurance commissioner for six years under the appointment of Texas' (CONTINUED ON PAGE 12)

At Thanksgiving..

Every day could well be a day of Thanksgiving in the business of Life Insurance.

Every day some Policyholder or Beneficiary is thankful for a plan that permits one to remove the dangerous uncertainties of the future.

At this season, we are thankful for the opportunity we have had to spread National service to the extent that more than \$600,000,000 of National life insurance is now in force.

The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board C. R. CLEMENTS, President
HOME OFFICE NATIONAL BLDG.
NASHVILLE TENNESSEE



Insurance Code Has Hearing Before the Legislative Group

Insurance Discussion Centered About Regulation of Distribution of Surplus

NEW YORK—Most of the second day's hearing on life insurance sections of the proposed New York insurance law revision was devoted to whether or not the proposed changes in connection with distribution of surplus to policyholders would unduly inject the state into the management of the internal affairs of companies affected.

The moot point would provide that no domestic company may "defer the apportionment and distribution of surplus . . . beyond the calendar year following that in which the same was earned . . ." The contention of the company representatives was that that wording would bar companies from distributing special reserve or contingency funds after the emergencies against which these were accumulated had passed.

Patterson Opposes Change

Vice-president William Macfarlane of the New York Life suggested that the provision be amended to read "beyond the calendar year following that in which the same has been earned or released." However, this and other suggestions for making the provision more elastic were unsatisfactory to the chairman of the New York department's insurance law revision committee, Prof. E. W. Patterson of Columbia University. Professor Patterson contended that the proposed modifications would still leave the entire discretion over the distribution of surplus in the hands of the companies.

H. R. Bassford, actuary Metropolitan Life, pointed out that the insurance department already has, and under the proposed revision would continue to have, sufficient control to prohibit a distribution of dividends that would be inequitable.

The proposal in the draft is modified by exceptions in the case of termination of a policy by death, maturity or surrender or as a postponed offset to an unpaid first-year dividend.

First Year Dividends

Almost equally troublesome was the proposed provision that "no dividend shall be due or payable for the first policy year or contract year unless shown to be actually earned for such year." This led to a protracted discussion of the justification of paying a first year dividend despite the fact that a policy does not normally begin to pay its way until after it has been on the books for considerably more than one year.

Assemblyman R. Foster Piper, chairman of the joint legislative committee on insurance law revision, who presided at the hearings, said he was most impressed by the statement of Clarence Klocksin, legislative counsel, Northwestern Mutual, who said that his company had found the payment of first-year dividends contingent on payment of the second annual premiums to be an important factor in preventing early lapses. Vice-president J. S. Thompson of the Mutual Benefit Life corroborated this argument in connection with his company. He said that it is necessary for the old policyholders to finance, in a sense, the introduction of new policy-

New Secretary



JELKS H. CABANISS, Birmingham Ala.

Jelks H. Cabaniss of Birmingham, who was elected secretary of the Legal Section of the American Life Convention, is a member of the law firm of Cabaniss & Johnston, one of the leading offices of the south.

holders and that while there is a loss on policyholders who lapse early, just as in the case of early death losses, the company (i. e., the persisting policyholders) comes out ahead because on the average the new business stays on the books long enough to meet its own acquisition costs.

Wide Difference of Thought

Mr. Thompson said that the proper amortization of acquisition costs is open to a wide difference of opinion and that he believed that companies should be allowed to use their own discretion in this respect. He likened the payment of first year dividends to the issuance of \$1,000 policies. The latter, he pointed out, may not be profitable but the \$1,000 policyholder may add to his insurance and then there is the service to the public involved in issuing small policies even though they are not profitable. Similarly, he said, a broad view should be taken in the payment of first year dividends rather than restricting considerations to a narrow accounting process. He expressed the opinion that there is plenty of room for companies which pay first year dividends and those which do not.

A number of minor points where the drafting committee of the department and the companies were agreed on the intent but not the exact wording will be ironed out through conferences of the department committee with the Life Presidents association's committee. B. E. Shepherd, actuary Life Presidents association, acted as chairman of the association committee at the hearings.

Thornton Honored at Sioux City

The Sioux City, Ia., district of the Prudential honored H. A. Thornton, superintendent in that city, at a dinner in observance of his 25th anniversary with the company. He started with the Prudential as an agent in St. Paul in August, 1913. He was made assistant superintendent in Minneapolis and promoted to his present post in March, 1931. Assistant Secretary B. H. Harris and Division Manager A. F. Messner were present from the home office. Superintendents H. L. Hanson of Des Moines and F. L. Shaver of Minneapolis were present.

Read *The Industrial Salesman*, \$1.25 a year. 420 E. Fourth Street, Cincinnati.

Metropolitan Life Loses Appeal Case

Plan to Take C. I. O. Bargain Suit to Court of Appeals

NEW YORK—The Metropolitan Life lost its appeal from Supreme Court Justice Steuer's order that it must bargain collectively with the C. I. O. industrial agents' union in the New York City area. The decision of the court, which is composed of five judges, was unanimous. The Metropolitan plans to carry its appeal to the court of appeals, which is the states highest tribunal. The court of appeals sits in January.

In the ordinary type of case not involving constitutional questions the court of appeals may refuse to review the case if the decision of the appellate division is unanimous. However, where the appellate division's decision is divided, or where a constitutional question is involved even though the appellate division is unanimous, appeal may be taken to the court of appeals as a matter of right.

Arguments based on constitutional points were advanced by Samuel Sea-

bury, counsel for the Metropolitan. If there is no dissent in the appellate division's decision nor any question of constitutionality, whether the case will be heard by the court of appeals depends on obtaining that court's permission or else a certification from one of the appellate division judges.

In the original ruling of Justice Steuer there was a provision that while the law compelled the company to deal exclusively with the elected bargaining agent, in this case the C. I. O. union, this meant only that the company could deal with no other representative of agents but that it could continue to deal with agents individually who did not choose to be represented by the union. One of the appellate division judges dissented but the others in upholding this interpretation of Justice Steuer's, holding that "exclusive bargaining agent" meant that the union should represent all agents in the bargaining area involved and that no individual arrangements might be entered into. This dissent opens the way for an appeal from the state labor relations board on this point, on which it appealed from Justice Steuer's decision.

F. H. Calkins Dies in Pennsylvania

F. H. Calkins, 78, former general counsel Fidelity Mutual Life, and special counsel Life Presidents Association,

died at Stroudsburg, Pa. Formerly a resident of Philadelphia, he lived at Canadensis, near Stroudsburg, at the time of his death.

Cook Named Assistant Superintendent of Agencies

C. C. Cook has been promoted from supervisor of salary allotment insurance in the New York metropolitan area for the Travelers to assistant superintendent of agencies at the home office. He will have charge of salary allotment business for the entire country. The greater New York agency staff honored him at a dinner, R. L. Smith, manager of agencies, presiding.

Mr. Cook joined the Travelers in Cedar Rapids, Ia., as field assistant. Later he became assistant manager in Peoria, Ill., and manager of the 34th street New York City office, June 1, 1937. He has had charge of salary allotment business in the metropolitan area. Before going with the Travelers Mr. Cook was manager of the Des Moines office of the National Bureau of Casualty & Surety Underwriters. Prior to that he was a special agent of the Fidelity & Casualty working out of the St. Louis office.

O. P. Schnabel Uses the New Jefferson Nickels

Bright and early the morning of Nov. 15th, O. P. Schnabel, San Antonio manager Jefferson Standard Life, was on hand to get 5,000 Jefferson nickels of the first minting. He arranged with 15 of the principal civic clubs to present a new coin to each member. Each nickel was on a card with Mr. Schnabel's advertisement announcing that the coin was from the first minting.

Four packages containing 10 Jefferson nickels each will be given as attendance prizes at each club during the first week after Nov. 15.

Mr. Schnabel, who has been using about 10,000 pennies annually by having one glued on each of his business cards as a "Good Luck Penny," will continue using pennies but has also arranged for a supply of business cards which will have "Good Luck Jefferson Nickels" instead of a penny. He states these will only be handed out on state occasions.

The new **Income Indicators** show your prospect why it pays to BUY NOW before the option changes go into effect. Send \$1 for three to The National Underwriter, 175 W. Jackson Blvd., Chicago.

Achievement ::: Opportunity



This is the time when all business reviews the past year and appraises the future.

For The Great-West Life, it has been a year of marked achievement. New business in each of the first three quarters was ahead of the corresponding quarter a year ago. The fourth quarter already gives definite promise of maintaining the record.

An important milestone was attained on October 1st when business in force reached \$600,000,000.00.

This reflects the better understanding men and women have acquired towards the security of Life Insurance—an understanding which promises still greater opportunities for sound progressive life companies.

Assets
over \$156,000,000.00

Business in Force
over \$600,000,000.00

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE • WINNIPEG, CANADA



FAIRCHILD AERIAL SURVEYS, INC.

MINNEAPOLIS

Lee Prothers, who became the Provident Mutual General Agent in Minneapolis eight years ago, has set an enviable record among the Company's leaders in Progress. Consider these facts for last year:

The Minneapolis Agency stood first among all agencies of the Company in gain of new paid business, with a 67% increase over the 1936 figures.

It stood first among all agencies of the Company in gain over quota, with a 29% increase over the difficult standard that had been established.

It stood first among all agencies of the Company in percentage-over-quota production from new agents, with a 40% increase over the allotted figures.

There is no magic in the Prothers formula: he knows the life insurance business and how to teach it.

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

Savings Banks in Massachusetts to Push Insurance

Organize Association with Full-Time Secretary—Give Policy Distribution

BOSTON—The 26 banks connected with the savings bank life insurance plan in Massachusetts have formed the Savings Bank Life Insurance Association with headquarters at 80 Federal street, "for the mutual benefit of all insuring banks and for the greater and more effective development of savings bank life insurance." The action is due to "a growing feeling among the member banks of a need for greater cohesion and unity in their development and promotion efforts."

The movement is significant coming as it does during the hearings at the state house by a special legislative recess commission for the study of savings bank life insurance and the possible limitation of its writings on a single life.

Clyde S. Casady is executive secretary on a full-time basis. He has been supervisor of agencies for savings bank life insurance in the state department.

Coincident with the investigation of a legislative recess commission as to the advisability of limiting the amount to be written on any one line in savings bank insurance to \$3,000, Judd Dewey, deputy commissioner of savings bank life insurance, has given out for the first time complete tables showing the distribution of the insurance by amounts and policyholders. Opponents of the plan hold that while the system was originally to provide small amounts of insurance, \$500 policies, for poor people, the increase in the number of banks, each issuing \$1,000 policies, has defeated the purpose of the act and provided opportunity for \$25,000 protection for the well to do, and that many were availing themselves of this privilege.

Division of Insurance

Deputy Dewey's figures show that the writings of \$135,436,000 are divided among the 82,221 policyholders as follows, in the outstanding groups:

22,026	policyholders have policies of \$500.
40,797	policyholders have policies of \$1,000.
6,585	policyholders have policies of \$2,000.
3,342	policyholders have policies of \$3,000.
2,718	policyholders have policies of \$5,000.
1,321	policyholders have policies of \$10,000.
198	policyholders have policies of \$15,000.
143	policyholders have policies of \$20,000.
73	policyholders have policies of \$24,000.

A general summarization indicates that 90 percent of the policyholders of the company carry amounts of \$3,000 or less, which is the maximum amount desired by proponents of new legislation, and represents about 70 percent of the entire writings.

Some 363 policyholders are insured for \$20,000 and above, representing but 5 percent of the insurance in force, and less than .5 percent of the total number of policyholders.

The fact that savings bank life insurance in Massachusetts had written only \$3,500,000 of business at the end of its first seven years, is evidence that its over-the-counter plan of selling is not

popular, declared Floyd E. DeGroat, general agent Mutual Benefit Life and president of the Massachusetts Association of Life Underwriters at the special hearing. There was no appeal for greater amounts until the limit was raised to \$1,000 for each bank and the number of banks increased, said Mr. DeGroat. Now, with \$26,000 of straight life and annuities of \$5,200 possible, the system had gone beyond the philanthropic plan originally intended for industrial workers.

A \$3,000 limit is desirable because the system is enjoying unusual advantages which makes it unfair competition, since buyers of large amounts of insurance should not be entitled to special privileges from the state.

Subsidized in Many Ways

Mr. DeGroat claimed the savings bank insurance plan has received cash appropriations in excess of \$551,000 from the state which are not returnable. It also has received wide private support to the amount of \$250,000 and received the further equivalent of \$225,000 in free rent, light, heat and upkeep from offices in the state house and the privilege of state house occupancy and use of the state seal.

In addition the system is exempt from taxation on its reserves, its policies are exempt from inheritance taxes, all annuities are exempt and because Massachusetts does not tax reserves, it also escapes federal taxes, to which all private life companies are subjected which Mr. DeGroat estimates mean another \$450,000 advantage.

The 82,000 insured in the plan represented but 3 percent of the industrial population of the state and the total of those who carried \$2,000 or less in the plan constituted only 9 percent of the total number of policyholders, demonstrating strongly to the working people, but has been successful only by providing larger amounts at low rates for the more well to do.

The speaker quoted from the recently adopted New York law to show that a limit has been found desirable in that state with promotional efforts confined to the issuers and not permitted by the state.

Summers Gives Facts

Merle G. Summers, Moore & Summers, general agents New England Mutual Life, chairman of the state association's legislative committee, discussed the legal setup of the plan and how it actually operates.

A private life company must put up \$400,000 before it can go into business in the state, yet any bank can go into the savings bank life insurance business with \$5,000 expense fund and \$20,000 insurance fund, and even this is waived as it can be guaranteed by the state guaranty fund. Participating banks are supposed to pay in 4 percent of their collections to the guaranty fund but this has not been done for some years. Furthermore, an average mortality figure is arrived at and the various banks deposit or draw on the guaranty fund as their experience warrants.

Represents 5 Percent of Total

The savings bank life insurance system stood fifth in paid for business and eighth in total business in force among the companies doing business in the state in 1937 and represented only 5 percent of the total life insurance business written in the state. Mr. Summers declared if the system was deprived of its state appropriations the net cost of its protection would be about the same as with the old line companies.

Although the law prohibited agents for the plan, "field workers" are permitted under civil service protection and apparently have all the functions of an agent. In 17 years over \$307,000 in premiums have been collected at the state house office. The policyholders paying direct save a 3 percent collection.

(CONTINUED ON NEXT PAGE)

L. A. Cerf, Sr., Big Hit at N. Y. Dinner

Famous General Agent, Now Retired, Gives Vigorous, Masterly Address

NEW YORK—As masterly a salesman and sales manager as ever, L. A. Cerf, Sr., retired New York City general agent of the Mutual Benefit Life, expounded some of the fundamentals of selling at the New York City Life Underwriters Association's November meeting with a fervor that unquestionably sold many of his hearers on putting these ideas into immediate action.

Mr. Cerf will be 75 years old this month, yet in appearance and in vigor of speech and manner, he seems at least 15 years younger than his actual age. In fact, he looks younger than many men in their fifties. Those in the audience who had entered the life insurance business since he retired 10 years ago could readily appreciate that here was a man fully capable of the astounding life insurance record which he made during his 42 years in the business. His son, L. A. Cerf, Jr., association president, presided. J. Elliott Hall, general agent Penn Mutual, New York City, introduced the speaker.

Though Mr. Cerf and his talk were an inspiration to his audience, his address was far from the type usually labeled as "inspirational." He talked to the audience like a Dutch uncle or some beloved veteran football coach exhorting the team. It was not hard to see why he had succeeded in building one of the greatest life insurance agencies the business has ever known.

Confessing he was going to violate one of the canons of good taste Cerf said that "I know the game as it really is and I know what makes a life insurance man and what mars him." He said that most men, even if they knew what it takes to succeed in the life insurance business, could not be successes. He pointed out that he did not mean by success merely making a living. It all centers around the word "discipline," he said and that applies just as much to general agents as to agents. He quoted Taylor, regarded as the father of modern efficiency engineering, as saying that the average laboring man can do four times as much work with no greater expenditure of energy by following scientific methods. He also quoted Prof. William James, the great psychologist, as saying that success is merely a matter of hard work and sacrifice and that sacrifice is the greater of the two.

"I never had in my employ a man who was avid for work and who had a good mind who didn't succeed," Mr. Cerf said.

He reminded his hearers that in working for themselves they are working for the worst boss in the world.

"I want supervision," he said. "If I haven't got it in my conscience then I want it in an individual."

Mr. Cerf criticised agents' lack of thoroughness in learning about business insurance and taxation insurance, for example, pointing out J. Elliott Hall's early specialization in income insurance. All the agents knew about income insurance but Elliott Hall made himself a real specialist. Mr. Cerf recommended that agents study the DIAMOND LIFE BULLETINS.

"Friends, there is stuff in the D. L. B. that is worth a million dollars an ounce," he declared.

Urging specialization in some form of policy, or group of prospects, Mr. Cerf said: "I never knew a great life insurance man who wasn't in some degree a specialist." He urged his hearers to pick out some kind of insurance or some kind of activity and learn it better than anyone else. Yet he said that "it is a

Twenty Years



CHARLES MCEHLINNY

Charles McEhlenny, Salem, Ore., has been honored with the designation of "McEhlenny Month" throughout western and central Oregon and northern California. The Perry H. Walbridge agency of the Oregon Mutual Life has applied the designation to November, when Mr. McEhlenny completed his 20th year with the company.

good sporting bet that not a man in this room will do it. It means discipline and hard, grinding sacrifice."

Mr. Cerf said that if agents would systematize their work, discipline themselves and specialize on a particular policy or section of the city to work on, it would make the difference between night and day and there would be no depression in the life insurance business. Anyone who will tackle life insurance as a business, as he would work at any other sort of job, can be successful. He urged his hearers to "take hold of this business in real earnest."

Savings Banks Push Insurance

(CONT'D FROM PRECEDING PAGE)

tion charge. Applicants for insurance could apply for coverage at the state house, be examined there, and have their policies issued there.

Annuities are taxed 1½ percent in all companies except the savings banks which have \$6,000,000 in annuities outstanding. Another saving came from the fact that no bonds are required of the trustees of the guaranty fund. One of the newer banks in the system is quoted as having 82 percent of its writings in annuities, another 69 percent.

Mr. Summers declared that limitation of the amount to be written on one person would not affect 90 percent of the people insured in the savings bank life insurance plan but would affect 42 percent of the insurance in force. Ten percent of the insureds represented 58 percent of the insurance in force, being those in the higher brackets. Limitation of the policies would not therefore seriously affect the holders of small policies but would, on the other hand, benefit the 12,000 or more life insurance agents in the state by opening the market to buyers of high insurance limits to fair competition.

Gerald J. Connors, president of the Industrial Agents Union, also spoke in favor of the limitation and the nine local life underwriters associations in Massachusetts went on record as in favor of the measure.

I WORK FOR LINCOLN NATIONAL LIFE MEN



PLANS FOR WOMEN

THE picture of the young lady shown at the top of this message occupies a place on the front cover of a popular Lincoln National Life booklet, "A Plan for Young Women." Here she works steadily, drawing the attention of women prospects to a plan especially designed for them. The LNL field man is completely equipped to sell the ever-widening market presented by women—in business, schools, and homes.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, IND.
ITS NAME INDICATES ITS CHARACTER

Penn Mutual Makes Policy Changes

Announces Settlement Options, Interest Revision Effective Jan. 1

Changes in policy forms, including the settlement options and reduction of policy loan interest rate from 6 to 5 percent, effective Jan. 1, are announced by the Penn Mutual Life. On and after that date, new policies issued will contain a 2½ percent interest guarantee for settlement options which do not involve life contingencies. These options are: (A) income for fixed period of years not exceeding 30; (D) interest income on net proceeds or net value, as the case may be; (E) income of fixed amount until proceeds or net value, and interest added thereto, are exhausted.

Options which involve life contingencies will be placed on a new basis consistent with annuity rates effective July 15. Three options of definitely the annuity type are being included in policies, in addition to the usual options providing guaranteed income for 10 or 20 years and for life. The new options are: (F) life income without refund; (FR) instalment refund life income; (G) joint and survivorship life income without refund, the latter not available if either payee is under age 50.

Little Immediate Effect

There will be observed no difference to the payee under the lower guaranteed rate of 2½ percent in options A, D and E, unless a total rate of interest payable on proceeds left with the company should decrease. This modification, however, requires corresponding modifications be made in amount of insurance under various instalment plans such as convertible income, continuous monthly income, salary continuance and income readjustment. Change in the annuity type option calls for the income at maturity of the optional deferred income policy to be calculated on the same basis as those regular policy options. The maturity values and premium rates of retirement income policies are not affected by the changes.

The provision in the refund annuity that the annuitant may commute annuity payments during refund period has been eliminated, thus the new contract will have no cash values. Premium rates for the life income with death benefit policy have been modified somewhat.

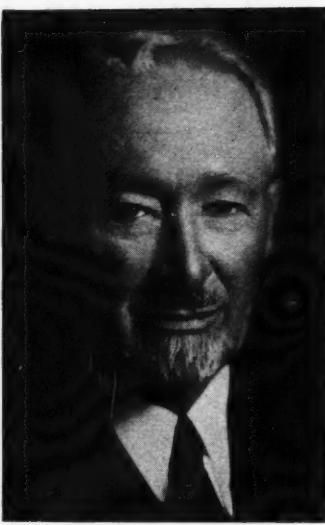
Change in method of paying dividends under instalment policies and life income option payable other than annually has been made, so that instead of paying dividend at end of each instalment year as in the past, a portion will be paid with each quarterly, semi-

California Producers Prepare for Legislative Problems

SAN FRANCISCO—The organization of the Associated Insurance Producers of California by representatives of the California Association of Insurance Agents, Society of Insurance Brokers, Insurance Brokers Exchange and California State Life Underwriters Association, gives insurance a common front in handling legislative problems. In its official bulletin, the organization says that it is formed "for the purpose of considering problems of mutual interest and concern to the producing forces of the insurance business in California with the objective of cooperative and uniform action in solving these problems to better protect the interests of the insurance buying public."

In addition to the officers already announced Clarence W. Peterson will represent the California State Life Underwriters Association as second vice-chairman.

Map Lincoln National Change



A. F. HALL



A. J. McANDLESS

At the November meeting of Lincoln National Life, President A. F. Hall announced his intention to cause the election of A. J. McAndless as president. That move will take place at the annual meeting next Feb. 1. Mr. Hall will become board chairman and will continue as chief executive officer.

annual or monthly instalment. The new method will apply after July 1, 1939, to all instalment dividends regardless of date of issue of policy.

Income payable under the new schedules is shown in the table below:

Payee's Age	Mo. Life Income					
	Opt. Near- est Birth- day Yrs. Inc.	Opt. B Male Cert.	Opt. C Male Cert.	Opt. F Male Ref.	Until With- drawal are Ref.	Opt. F.R. Male Ref.
1	\$84.30	*10	\$3,01	\$3,03	\$3,03	\$2.99
2	42.67	20	3.21	3.23	3.24	3.19
3	28.80	30	3.51	3.56	3.57	3.47
4	21.86	40	3.92	4.05	4.09	3.90
5	17.70	45	4.17	4.38	4.44	4.17
6	14.93	46	4.23	4.45	4.51	4.23
7	12.95	47	4.28	4.53	4.59	4.30
8	11.47	48	4.34	4.61	4.67	4.37
9	10.32	49	4.39	4.70	4.75	4.44
10	9.40	50	4.45	4.79	4.84	4.51
11	8.64	51	4.50	4.88	4.93	4.59
12	8.02	52	4.56	4.97	5.03	4.67
13	7.49	53	4.62	5.07	5.13	4.75
14	7.03	54	4.67	5.18	5.24	4.84
15	6.64	55	4.73	5.28	5.36	4.93
16	6.30	56	4.79	5.39	5.48	5.02
17	6.00	57	4.84	5.51	5.61	5.12
18	5.73	58	4.90	5.63	5.74	5.22
19	5.49	59	4.95	5.75	5.88	5.33
20	5.28	60	5.00	5.88	6.03	5.44
21	5.08	61	5.05	6.01	6.20	5.55
22	4.91	62	5.10	6.14	6.39	5.67
23	4.75	63	5.14	6.28	6.54	5.80
24	4.60	64	5.19	6.42	6.79	5.93
25	4.46	65	5.23	6.57	7.00	6.07
26	4.34	66	5.23	6.71	7.23	6.22
27	4.23	67	5.23	6.86	7.48	6.38
28	4.12	68	5.23	7.02	7.74	6.54
29	4.02	69	5.23	7.17	8.01	6.71
30	3.93	70	5.23	7.32	8.30	6.88

Option G—Joint & Survivor Annuity

Age of Payee	Monthly Life Income*					
	Male 50	55	60	65	70	75
50	\$3.78	\$3.95	.....	.....	.....	.....
51	3.80	3.98	.....	.....	.....	.....
52	3.83	4.01	.....	.....	.....	.....
53	3.85	4.05	.....	.....	.....	.....
54	3.87	4.08	.....	.....	.....	.....
55	3.89	4.11	\$4.33	.....	.....	.....
56	3.92	4.14	4.37	.....	.....	.....
57	3.94	4.17	4.41	.....	.....	.....
58	3.96	4.20	4.46	.....	.....	.....
59	3.98	4.23	4.50	.....	.....	.....
60	4.00	4.26	4.54	\$4.82	.....	.....
61	4.01	4.29	4.58	4.88	.....	.....
62	4.03	4.31	4.62	4.94	.....	.....
63	4.05	4.34	4.66	4.99	.....	.....
64	4.06	4.36	4.69	5.05	.....	.....
65	4.08	4.39	4.73	5.10	\$5.48	.....
66	4.09	4.41	4.76	5.15	5.55	.....
67	4.11	4.43	4.80	5.20	5.63	.....
68	4.12	4.45	4.83	5.25	5.70	.....
69	4.13	4.47	4.86	5.30	5.77	.....
70	4.14	4.49	4.89	5.35	5.84	\$6.35
71	4.15	4.51	4.92	5.39	5.91	6.45
72	4.17	4.52	4.95	5.44	5.98	6.55
73	4.17	4.54	4.97	5.48	6.04	6.65
74	4.18	4.55	5.00	5.52	6.11	6.75
75	4.19	4.57	5.02	5.56	6.17	6.84

*Females take rates for males 5 years younger.

Full Information on N. Y. Life Policies

Changes Announced to Go Into Effect First of Year

The New York Life has sent out to agents announcement as to new policy forms and premium rates. It has sent out a new 1939 ordinary life policy as a sample. The announcement contains changes in the policy loan interest rate and in guaranteed interest rates and mortality basis in certain settlement options. It continues:

With the introduction of the new edition of policy forms the company will also introduce: (1.) New term policies for 5, 10, 15 and 20 years in lieu of the present 7 and 14-year terms, and (2.) new annuity endowments, replacing the present forms, will provide for \$10 monthly income for each \$1,500 of face amount. The company will also introduce a new annuity endowment at 65 for women in lieu of the present annuity endowment at 55.

The changes in the settlement options will require an increase of the premium rates for family income, annuity endowments and endowments on an income basis. The new rates for these plans and for the new term policies will be contained in a completely revised and up-to-date rate book.

Policy Forms

The company will introduce a new edition of policy forms which will go into effect Jan. 1, 1939 (on Dec. 27, 1938, for New York State—see "Applications and Examinations" below).

The principal changes are:

1. The interest rate on policy loans under the new forms will be reduced to 5 percent payable at the end of the year instead of 5 percent payable in advance. This change is made in order to conform to statutory limitations on the loan interest rate now required by the New York law for new policies.

2. The guaranteed interest rate used as a basis for settlement options 2, 3 and 5 will be 2½ percent instead of 3 percent as heretofore. Also the mortality basis for the life income provided in option 3 has been changed to be consistent with the recent change in immediate annuity rates. Any additional interest declared in any year above the 2½ percent guaranteed will increase either the income, or the period during which the income is payable, according to the option selected.

Annuity Endowments and Family

On account of the change in the guaranteed interest rate on settlement options the premium rates for family income policies have been revised. Similarly on account of this interest rate change and the change in the mortality basis for settlement option 3, the premium rates for annuity endowments also have been revised. In the case of the annuity endowments the company will issue the new form on the basis of a monthly income of \$10 per \$1,500 of face amount instead of \$1,000 face amount as at present. The company will also introduce on Jan. 1, 1939, a new annuity endowment at 65 for women, and withdraw the annuity endowment at 55. It will thus have under the new program four annuity endowment plans, i.e., annuity endowments maturing at 60 and 65 for men and for women. The new annuity endowments will not be issued for a face amount less than \$1,500. The premium rates, guaranteed values and the description of these policies will be contained in a new edition of the rate book.

The company will withdraw retirement annuities and family maintenance. The family maintenance policy is being withdrawn because very few of these policies are sold. Furthermore the need

Good Working Knowledge

To attain better-than-average results a producer must have a good working knowledge of his contracts and his company and a fundamental knowledge of people and their ambitions. He must be convinced that life insurance is the one thing that helps a man fulfill his aims and ambition, that it is the replacement of the economic value of human life. Sales technique comes as the result of practice and experience and enables the underwriter to better portray to the prospect the things he wants him to do.

for this special form no longer exists with the introduction of the 20-year term policy, as the family maintenance form of income settlement may be obtained by means of the combination of an ordinary life and 20-year term policy. Annual premium participating deferred annuities providing for return of premiums, without interest, at death during the deferred period will be issued. These policies will not provide for cash values.

The retirement annuity and the family maintenance policies will be withdrawn Dec. 31. Applications for these two plans will be considered only where the application has been completed and in the branch office on or before that date.

New Term Policies

New term policies will be introduced on Jan. 1, replacing the present 7 and 14-year term policies to be withdrawn on that date. The new policies will be similar to our present term policies except for the term and the conversion periods. The term periods available will be 5, 10, 15 and 20 years. The period within which the term policies may be converted to the ordinary life plan will be as follows:

Term Plan	Conversion Period
5-Year	3 Years
10-Year	7 Years
15-Year	12 Years
20-Year	17 Years

The new term policies will be limited to ages at issue such that the policies will expire not later than age 65. The minimum face amount granted will be \$2,000. The first year commission will be the same percentage as at present on the 7 and 14-year term plans and a single renewal commission for the second year will be paid on the 10, 15 and 20-year term policies on the same basis as under the 14-year term plan.

Applications and Examinations

A recent amendment to the New York insurance law requires that, in policies providing for loans which are delivered in New York state after Jan. 1, 1939, the loan interest rate cannot exceed 5 percent payable at the end of the year. Accordingly the present form of policy, which provides for interest on policy loans at 5 percent payable in advance, cannot be delivered in New York state after Jan. 1, 1939. The company will therefore discontinue issuing on Dec. 24 the present form for delivery in New York state in order to give agents sufficient time to deliver such policies by the end of December. Applications written for policies on the present form for delivery in New York state must be completed and in the home office by Dec. 24 and the policies must be delivered by December 31. All such policies remaining undelivered after that date must be returned for reissue on the 1939 form. Applications under which the first premium is collected in cash in exchange for a binding receipt may be written for policies on the present form up to and including Dec. 31, 1938 provided the medical examination is completed by that date.

Applications Other Than New York

Applications from other than New York state dated on or before Dec. 31, 1938, where examinations are made on or before that date and papers received at the branch offices by Jan. 7, 1939, will be considered on the basis of the 1938 policy form. In all such cases any policy issued on such applications is to take effect not later than Jan. 31, 1939. This date is fixed in order to give time to clear up suspended cases.

Requests for extra policies on the present form must be received with the application or, for policies to be delivered in New York state, must be received at the home office not later than Dec. 24 and, for policies to be delivered outside of New York state, must be received at the branch office not later than Jan. 7. The new form of policy will be issued on request on new applications dated on or before Dec. 31, provided such policy is to take effect subsequent to Dec. 24. This will not apply

Banks Seek Uniform Assignment Form

Representatives of insurance and banking have been discussing in recent months the question of preparing a uniform assignment form for the benefit of banks that make loans against the reserves of life policies. Many technical issues are involved, including differences in state laws, and the problem is not a simple one. One of the main rights which such a bank demands is that of being able to effect surrender of a policy upon its own signature without reference to assured or beneficiary. As a first step many of the banks require that policies that are made payable to a named beneficiary be changed to the assured's estate.

The making of such loans by banks is increasing in all parts of the country. Banks are almost frantically seeking outlets for their funds that will give them something better than they can get from conventional, safe investments. They are invading the field of automobile financing, for instance. The interest charged by banks for policy loans varies with the size of the commitment. By-and-large it seems to range between 3 and 4 percent.

Most banks make a six month note, renewable at the same terms for another six month period. After that, the loan can be called or new terms demanded by the bank. This gives the bank an opportunity to review its changes periodically in the light of the interest.

to the new plans to be introduced on Jan. 1, 1939—annuity endowment at 65 for women and 5, 10, 15 and 20-year term. These policies will not be issued with an effective date prior to Jan. 1. Any policies which are applied for before Jan. 1, 1939, on the present form and are subsequently returned to be re-rated, must have an effective date not later than Jan. 31, 1939, if to be on the present form.

NEWS OF WEEK

Concern is felt for **scarcity of prospects** after the year-end. Some agencies already taking steps to meet situation. **Page 1**

* * *

Some observations on **pertinent questions** arising among life insurance companies. **Page 1**

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Discussion of various aspects of the double indemnity benefit featured at the fall meeting of the **Home Office Underwriters Association** in New York City. **Page 1**

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Statistician John H. Rader of The National Underwriter gives a summary of **settlement option actions**. **Page 1**

* * *

Life insurance hearing on **New York proposed code** centered about distribution of surplus regulation. **Page 4**

* * *

Plans are completed for the meeting of the **National Association of Insurance Commissioners** Dec. 5-7 at Des Moines. **Page 10**

* * *

Massachusetts savings bank writing life insurance form association. Distribution of savings bank insurance in force by amounts announced. **Page 6**

* * *

New York Life announces new policy forms and premium rates. **Page 8**

* * *

Banks have been discussing the question of a **uniform assignment form** for benefit of making loans against reserves of life policies. **Page 9**

* * *

Metropolitan Life loses its appeal in the lower court in New York City that it must **bargain collectively with the C. I. O.** It plans to carry the case to a higher court. **Page 5**

* * *

Mutual Benefit Life holds to 3 percent guarantee on options. **Page 10**

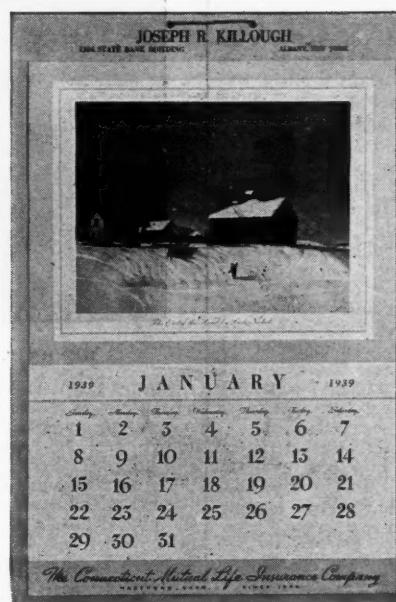
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L. A. Cerf, Sr., famous retired general agent, speaks in New York. **Page 7**

* * *

SEC survey of life company practices starts with the **Metropolitan Life**. **Page 3**

92 YEARS of DEPENDABLE PERFORMANCE



To Build Goodwill

Goodwill is tremendously important to the life underwriter. So important is it that there probably isn't a single successful producer who doesn't make regular use of some form of advertising material to help him keep in touch with his old policyholders and prospects and to establish himself with new prospects.

To aid in this goodwill building, The Connecticut Mutual has made available to its field for 1939 an especially beautiful wall calendar—one which prospects and policyholders will appreciate having. The calendar reproduces in full color the paintings of 12 outstanding contemporary artists, such as Kent, Curry, Brook, Nichols, Gango, Lie, Reynard, Kuniyoshi, Fiene, Dehn, Taylor and Schnakenberg.

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

Mutual Benefit to Continue Guarantee

Will Hold to 3 Percent on Options—Policy Form Changes

The Mutual Benefit Life has announced that it will continue to guarantee 3 percent on funds left with the company under settlement options in the new policy form which the company will issue on and after Dec. 1. Included in the new form are six settlement options instead of the former three. Retained, although not as a part of the printed contract, are company practices permitting of broadest flexibility in the drafting of settlement option income agreements. Basically, the new contract is little changed from that issued since 1922. The policy loan interest rate has been reduced to 5 percent to comply with the New York state law. A 90-day deferral clause required by law in some states has been made general. No change has been made in the amounts of surrender charges which continue at \$10 per \$1,000 during the first year and disappear at the end of the third year. The actuarial basis of the life income options has been changed, bringing it into line with the company's own settlement option experience, thereby reducing the guaranteed amounts payable.

Why It Uses 3 Percent

The physical arrangement of the policy is entirely changed, the "document form" being substituted for the former four-page form.

In its announcement the company said it is continuing to "use a 3 percent interest as a guaranteed rate in connection with settlement options and dividend accumulations because it considers that no distinction should be drawn between such rate and the rate which is used for the computation of net premiums and reserves prior to the maturity of the contract. The reserves outstanding on these two accounts are, and probably will continue to be, relatively small as compared to the policy reserves, and, inasmuch as we see no reason to question our ability to earn 3 percent upon the policy reserves, we find no necessity for reducing the guaranteed rate for other funds. It is well known that the company has no outstanding policy or annuity reserves on which it is necessary to earn interest at a rate higher than 3 percent."

Settlement Options

Settlement options in the new policy are designated by numbers and are as follows: (1) Interest (3 percent guaranteed); (2) interest with automatic withdrawal of principal to produce uniform payments until the principal is exhausted; (3) instalments of principal and interest; (4) life income, with instalment refund; (5) life income, 10 and 20 year certain; (6) joint and survivorship annuity.

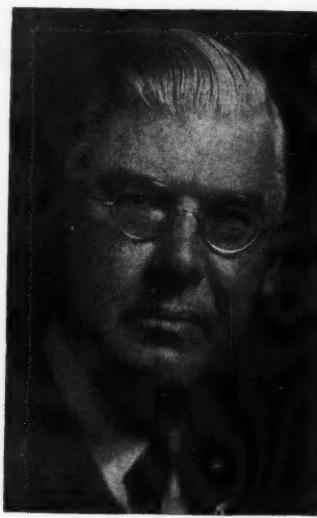
Options 2 and 6 are new, although they have been available on special request in the past. Option 4 is new so far as the "instalment refund" feature is concerned, but presents no new principle beyond that used in Option 5.

Sample Guaranteed Monthly Income

When excess is taken into account (3.75 percent has been used for 1938) there will be no material change in amounts payable to beneficiaries under Options 1, 2 and 3 as compared with old Options A and B. The actuarial basis of (life income) Options 4, 5 and 6 is more stringent than the basis of former Option C and beneficiaries are distinguished as to sex.

Sample guaranteed monthly incomes

CHIEFTAINS AT COMMISSIONERS CONVENTION



HENRY S. NOLLEN



MAURICE V. PEW



A. H. HOFFMAN

At the forthcoming mid-winter meeting of the National Association of Insurance Commissioners at Des Moines, Henry S. Nollen, president of the Equitable Life of Des Moines, is chairman of the general arrangements committee. Insurance Commissioner Pew of Iowa is the official host. A. H. Hoffman, president American Mutual Life of Des Moines, is chairman of the reception committee. Mrs. Hoffman and Mrs. Pew have charge of the ladies reception committee. On the afternoon of Dec. 5, the ladies will be taken on an automo-

bile drive over the city followed by a tea and musicale. There will be a theater party for them in the evening. On the following afternoon there will be a bridge party for them at the Hotel Fort Des Moines and on the third day there will be a luncheon.

The convention proper will be called to order at 10 a. m. Dec. 5, by President F. N. Julian of Alabama. The welcome will be given by Governor Kraschel of Iowa and the response by Commissioner Ham of Wyoming, who is vice-president of the association. President Julian will

give his address followed by the only formal speaker, George S. Van Schaick, vice-president of the New York Life, former New York superintendent whose subject is "A New Safeguard for Old Risks." The afternoon will be given to committee meetings and in the evening will be the Pamunkey ceremonial. The convention will meet again Dec. 6, and there will be meetings of committees. The formal banquet will be the evening of the second day. It is likely that the convention will be over at noon the third day.

General American in Group Contest—New October High

ST. LOUIS—Agents of the General American Life are conducting a group insurance contest which closes on Dec. 31. Each agent can pick his own Christmas presents by attaining the necessary number of points.

Emil Brill, vice-president in charge of the group department, is directing the campaign.

The "President's Month" campaign conducted by the General American last month in honor of Walter W. Head, resulted in the best month on the basis of written volume of new ordinary life for more than two years. Business was 28.4 percent above October, 1937, when a similar contest was conducted. Eleven agencies beat their self-imposed quotas for President's Month while 11 other agencies finished close to their voluntary assignments. Kennett, Mo., about trebled its quota for the month, while both Sterling, Ill., and Roswell, N. M., almost doubled their marks. Oklahoma City was the leader in volume among the agencies that beat their quotas.

Accident and health business showed an increase of 58.7 percent in October. This gain marked the 10th consecutive monthly increase.

degree of flexibility in settlement options. The company has taken the position in various announcements to agents in recent months that it aims to broaden its settlement option service wherever possible in the belief that the purpose of life insurance—protection against loss of income—is best made secure through settlement option income plans.

Ralph Rainsford, manager of the mortgage department of the Prudential, has returned from an extended stay in Italy. He arrived in Italy early this summer and spent the greater part of his time near Milan.

Won't Hear American Life, Mich., Appeal Until January

The Michigan supreme court is not likely to begin hearing the American Life of Detroit receivership case earlier than the January term. The management of that company appealed from the order of the circuit court, placing American Life in temporary receivership. Preparation of the transcript of testimony taken in the Ingham county circuit court has not been completed.

Nebraska Institute Meets

George L. Wright, division manager Retail Credit Company spoke on how to get the most out of an inspection company at a meeting of the Insurance Institute of Nebraska in Lincoln. He discussed overinsurance and fraud cases. The institute is composed of officers and employees of Nebraska home insurance companies, membership being 71. The next meeting will be in December in Omaha.

W. V. Knott, Florida commissioner, is to be tendered a dinner at Tampa by the insurance fraternity Nov. 29, the occasion being his 75th birthday. The affair will be held at Wakulla Springs hotel. Every department of insurance—life, fire and casualty; company forces, agents and state officials will participate. Hunter Brown, Pensacola, vice-president Florida Insurance Agents Association (fire, casualty, surety) will be toastmaster. Mitchell Stallings, Tampa, president of the fire, casualty and surety group, and LeRoy Johnson, Jacksonville, life association president, will represent their interests. Chairman Wheeler of the Southeastern Underwriters Association will sit in for the fire assemblies, with his Florida manager, Hilton Holmes of Jacksonville; Tom Lippert, Jacksonville, Ill., field conference chairman and George Edmondson, Tampa.

The new **Income Indicators** show your prospect why it pays to BUY NOW before the option changes go into effect. Send \$1 for three to The National Underwriter, 175 W. Jackson Blvd., Chicago.

Board Walk Chatter of Life Advertisers at Atlantic City

Earl R. Trangmar, Metropolitan Life, who was chairman of the entertainment committee at the Life Association Advertisers annual meeting at Atlantic City, did the job so well that Vice-president Joseph C. Behan, Massachusetts Mutual, who was the speaker at the annual dinner, referred to the Traymore as the "Hotel Trangmar." Mr. Behan kept his audience in gales of laughter during his entire talk. His fund of stories is inexhaustible.

* * *

Howard D. Shaw of the Continental American was the recipient of five certificates of awards of excellence in Group I. He is a native of Cleveland. He was formerly in New York and Baltimore before joining the agency home office department of the Continental American.

* * *

R. G. Richards of Livermore & Knight, Providence, R. I., attended the convention. Mr. Richards was formerly agency secretary of the Atlantic Life. He was accompanied by George H. Peet, also of Livermore & Knight.

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S. M. Gamble of the Massachusetts Mutual was chairman of the special committee on exhibits and awards.

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Miss Margaret A. Divver and **J. A. Pierce** of the John Hancock received a certificate of an award of excellence for the sales promotion material put out by the company.

* * *

The following resolution was adopted: "There are few more difficult tasks at our convention than the handling of exhibits. We want our exhibits chairman, L. C. Kiesling, Continental American Life, and his associates to know that we appreciate the way in which they arranged and handled the largest exhibit yet displayed at an L. A. A. meeting."

* * *

C. C. Loeble, Presbyterian Ministers Fund, was commended for the attractive booklet containing the program of the convention for which he was responsible.

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C. W. Van Beynum, Travelers, was accompanied by Colin Simkin, advertising assistant of that company. Mr. Van Beynum was one of the chief speakers.

* * *

One of the most active participants in the open forums was **Ray B. Hesler**, supervisor of field service of the Home Life of New York.

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Executive Vice-president **John A. Stevenson**, Penn Mutual, was the final speaker Wednesday. He has been one of the strong backers of the L. A. A. since its inception.

* * *

H. V. Wade, American United Life, was chairman of the trade paper committee which made an exhaustive report on insurance publications and distributed it among the members.

* * *

George A. Adsit, Girard Life, was awarded a certificate of excellence for his advertising copy in the insurance journals.

* * *

Karl Ljung, Jr., assistant secretary Jefferson Standard, gave an excellent talk on "How to Make Your Policyholders Stick." He speaks with clarity and force.

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Toastmaster Steven at the banquet congratulated Vice-president **James A. McLain** of the Guardian Life on his company's good fortune in having **John C. Slattery** as its publicity manager.

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C. Russell Noyes, Phoenix Mutual, deserves a hand for his assistance on the press committee which labored under considerable difficulty.

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The Atlantic City weather man was included in the resolutions for "the way in which he turned on a sample of his very best."

* * *

Rowe Stewart, president Stewart-Jordan, Philadelphia; R. B. Hull, and M. L. Mendersohn received the thanks of the

resolutions committee for the tedious and exacting tasks of **judging the exhibits**. Mr. Stewart was a guest at the banquet and spoke briefly about the excellence of the exhibits.

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The **exhibits** measured one-sixth of a mile in length. There were 57 companies represented on the 425 boards set up.

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C. T. Steven, Phoenix Mutual, was toastmaster at the banquet. He led off in Orson Welles fashion by stating that "The Life Advertisers have landed in New Jersey and are advancing up the coast. He is unexcelled as a toastmaster.

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The talk given by **Roger B. Hull**, managing director National Association of Life Underwriters, was enthusiastically received and referred to by all the subsequent speakers.

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In his talk **D. Bobb Slattery**, Penn Mutual called attention to the impression the telephone operator in an office makes on the public. He emphasized the necessity of a friendly and intelligent attitude on the part of the switchboard operator or receptionist for that contact is the first made with the public and leaves a lasting impression. His point was well taken.

* * *

Col. D. Gordon Hunter, vice-president and agency manager, Phoenix Mutual, gave one of the most brilliant speeches at the convention. His topic was "How

About the Future." He gave a graphic description of the progress made by all industries in the past 25 years and expressed an optimistic view of the future.

* * *

C. P. Mayfield, Fidelity Mutual, is a forcible speaker. He has an easy flow of words which makes any conversation with him interesting. He was accompanied by Mrs. Mayfield.

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Orchids to **C. V. Pickering**, Aetna Life, for his talk before presenting the sound film "How to Sell by Word Magic." By referring to his elaborate notes which he stated he had been preparing for two years, he managed to include nearly everyone at the meeting.

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Nelson A. White, Provident Mutual, who introduced Mr. Pickering, accredited him with the authorship of "Anthony Adverse," "Gone With the Wind" and the preamble to the Constitution of the United States. Mr. Pickering modestly refused full credit for any of these works. Mr. White, who was the first president of the L. A. A., was convention chairman and received wholehearted thanks for the excellent performance of his task.

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Postal National Life Meeting

The Postal National Life's leading producers will convene at Miami Beach, Fla., for their annual meeting. The party headed by Mrs. A. B. Jordan,

Johns Speaks in St. Louis; Three Methods of Increase

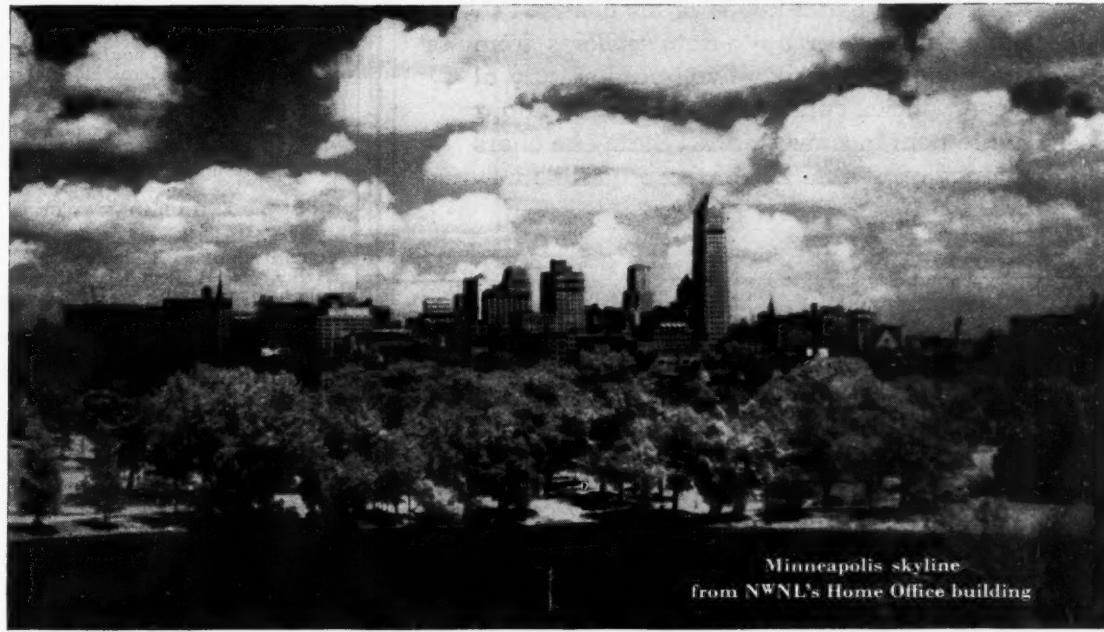
ST. LOUIS—J. F. Johns, superintendent of agents for the Reliance Life, spoke at a special meeting of the St. Louis agency. He commended Manager Frank Vesser and his men as the St. Louis office is 33 percent ahead of 1937 in paid business.

There are three ways for an agency to increase its production, Mr. Johns said: First, increase its man-power; second, increase the average number of sales per man, and, third, increase the average sales. Plan 3 is the best of all, because it is the most economical from both the point of view of the company and of the agent.

"If an agent sells for specific needs he will not only increase the average size of his policies, but it will also improve persistency," he said.

A second method for increasing the average size of the policy is to make use of one of the optional settlement plans. He deplored the fact that 90 percent of new life insurance is sold on the lump sum payment plan.

president, and M. J. Denda, vice-president, will leave New York Dec. 28.



"A BETTER PLACE TO LIVE"

MOST people want their own community to be "a better place to live"—whether it be farm or city, hamlet or metropolis.

Yet many people overlook one simple, friendly, and helpful means of making their own community a better community for themselves and for others to live in. Whenever someone in your community takes a life insurance policy, he has helped to protect not only himself and his loved ones but neighboring folk as well. Every life insurance policy in your vicinity means a more self-reliant community, a community a little more interested in good government which protects men's savings, a community with one more person or one more family made a little more secure. Every life insurance policy helps

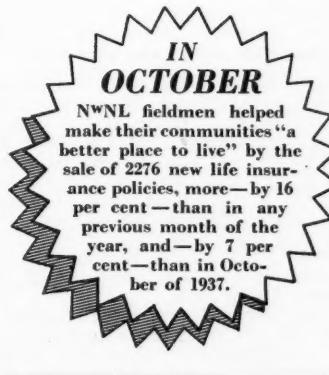
to protect you from the risk of having to support others on charity. Every life insurance policy means one more family which—when death or old age steps in—will continue to pour dollars which are the life blood of your community into the tills of your merchants from whence it circulates for the good of all. You can help to make your community "a better place to live" if you will tell your NWNL agent about others you know who should own life insurance.

(This is an excerpt from a leaflet sent to all NWNL policyholders as an enclosure with their premium notices.)

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL



NWNL fieldmen helped make their communities "a better place to live" by the sale of 2276 new life insurance policies, more—by 16 per cent—than in any previous month of the year, and—by 7 per cent—than in October of 1937.

Retirement Income with Protection As-You-Go

THE STATE LIFE of Indiana offers a wide range of policies to provide retirement incomes. . . . Endowment policies maturing at various ages, in two to twenty years, and at five-year intervals afford individualized service. . . . Comprehensive Installment Options and suitable supplementary agreements enable the State Life Representative to serve the exact needs of his clients. . . . State Life issues up-to-date policies from ages one day to sixty-five years. Many of these policies can be merged finally into a Retirement Income plan. . . . State Life offers agency opportunities for those qualified.

THE STATE LIFE INSURANCE COMPANY

Indianapolis
Indiana

AN OLD-LINE MUTUAL COMPANY FOUNDED 1894

OPEN TERRITORY

in Michigan, Ohio, Indiana and Illinois

◆ ◆
FOR MEN WHO CAN PRODUCE
AND
ARE AMBITIOUS TO BUILD OWN AGENCY
◆ ◆

Philadelphia Life Insurance Company
Philadelphia, Pennsylvania

Guessing Period Is at Hand as to Commissionerships

(CONTINUED FROM PAGE 3)

woman governor, Mrs. M. Ferguson, and his term will expire Feb. 10, 1939.

As against the retention of Judge Daniel several names have been mentioned, including Senator T. J. Holbrook of Galveston, who was defeated for reelection after long service in the senate. He is one of the few intimate friends and close advisors to the incoming governor. He has said, however, he doubted if he would be able to relinquish his Galveston domicile.

Another name being discussed is that of N. S. Longabough of Fort Worth. He was an original O'Daniel supporter. Two other Fort Worth insurance men are mentioned for the post, Frank Kenney and Tom Taylor.

Under the law the insurance board consists of three members, each of whom receives \$5,000 and have staggered terms of six years. Marvin Hall is fire commissioner and R. G. Waters casualty commissioner. Hall's term expires in four and Waters' in two years. They were appointed by outgoing Governor Allred and will thus constitute a majority of the board until Feb. 10, 1941.

This is the second routine of service by Judge Daniel as life commissioner. He held the office from Oct. 1, 1925, to Sept. 30, 1927, under appointment of Mrs. Ferguson when she was first elected governor.

RHODE ISLAND CHANGE IS CERTAIN

PROVIDENCE, R. I.—The election overturn in Rhode Island and the selection of William Vanderbilt, Republican, as governor, presages a change in the insurance department.

When Quinn, the retiring governor, went into office there was a general discharge and retirement of state officials in all departments who had been in service many years, including the insurance commissioner.

M. Joseph Cummings was appointed chief of the division of banking and insurance for a three-year term which is completed Feb. 1, 1939. It is the duty of the governor during January to "name a qualified elector" as commissioner. It is practically certain that Vanderbilt will not reappoint Cummings.

Mr. Cummings has been something of a thorn in the flesh for the insurance interests. Cooperating with Quinn he called for a state-wide survey of fire rates and advocated a state health insurance plan backed by a state fund. He brought about radical changes in the workmen's compensation laws. On the other hand, Mr. Cummings came out strongly against the adoption of savings bank life insurance.

NO CHANGE IN NEW HAMPSHIRE

CONCORD, N. H.—The election in New Hampshire will have no effect on Commissioner Rouillard. The present governor, a Republican, was reelected, while the appointment of the commissioner made by him, was for a five-year term.

YETKA HAS 2½ YEARS LEFT

ST. PAUL—What effect Minnesota's landslide Republican victory will have on the insurance department is causing some speculation. For 3½ years the department has been headed by Frank Yetka, a Farmer-Labor appointee, and he still has 2½ years to serve. Commissioners are appointed for six-year terms and they cannot be removed except for cause. Most of the key men in the department now are affiliated with the Farmer-Labor party.

Thus unless Governor-elect Stassen is reelected two years hence he will not be in a position to replace Mr. Yetka. Garfield W. Brown, who preceded Mr. Yetka as commissioner, was permitted

to serve out his full term after the Farmer-Labor party came into control, and in fact he remained in office several months after his term actually had expired.

However, Stassen will be in a position to exercise some influence over the department and may, if he chooses, bring about a change in some of the subordinate personnel.

EXPECT JULIAN'S REAPPOINTMENT

MONTGOMERY, ALA.—It is generally believed that incoming Governor Dixon of Alabama will reappoint Frank N. Julian as superintendent of insurance. Mr. Julian is president of the National Association of Insurance Commissioners. Dixon has stated he does not intend to build a political machine with patronage. The three previous terms of Mr. Julian have qualified him. Practically all Alabama insurance interests are back of him.

TAGGART MAY RETURN

PHILADELPHIA—There is a possibility that the Republican victory in Pennsylvania will bring back into office Matthew Taggart as insurance commissioner and A. G. Costello as first deputy.

Mr. Taggart was commissioner in the administration of Governor John S. Fisher. He has been active politically. During the last week-end, the executive committee of the Pennsylvania Association of Insurance Agents met in Harrisburg. At this session, Mr. Taggart received rather warm support. First choice of the group was A. S. Galland, prominent agent of Wilkes-Barre, a former president of the Pennsylvania agents. Mr. Galland, however, refused to permit his name to be offered for consideration.

Five other names are being rumored for commissioner. Four are Philadelphians—Walter Munns of the Insurance Company of the State of Pennsylvania; Stanley Kite, resident vice-president Hartford Accident; Gene McColley, branch manager Hartford Fire, and William Elliott, general agent of Philadelphia Life.

The sixth mentioned candidate is David R. James, an agent of Scranton.

THULEMEYER MAY SEEK POST

CHEYENNE, WYO.—Rumors that Theodore Thulemeyer, former commissioner, will be one of several candidates to seek the forthcoming appointment as insurance commissioner are being widely circulated. Although no announcement has been made by Governor-elect Nels H. Smith, Republican, on this matter, political authorities consider it almost certain that Arthur J. Ham, present commissioner, whose term expires March 1, will be replaced. In Wyoming the commissioner is appointed by the governor, with the approval of the senate.

GUESSERS BUSY IN OHIO

COLUMBUS, O.—In spite of a direct and unequivocal statement made by insurance men believed to be in close touch with Republican Governor-elect Bricker that an out-and-out Republican would be appointed superintendent of insurance, a report was current this week that Superintendent Bowen might be reappointed. Mr. Bowen has been commended for his services, but the opinion has been expressed that the retention of any important state official by the Davey administration by the new governor might meet with disfavor on the part of Republican organizations throughout the state, and might be interpreted as substantiating charges made in the recent campaign. The administration has been in the hands of Democrats for eight years and the belief prevails among Republicans that Republicans should be placed in all important offices.

Among those mentioned for appointment as superintendent are T. M. Miller, former assistant attorney-general; Homer Trantham, secretary Insurance Federation of Ohio; Burt A. Miller, one

time insurance superintendent in the District of Columbia; Earle Stewart, Ironton, former assistant superintendent; Dale Dunifon, former assistant attorney general under Mr. Bricker, and C. C. Beals, former chief examiner.

Mr. Beals recently resigned and his duties have been taken over by P. H. Stanberry. Some time ago Deputy Superintendent L. B. Blakmore of Cincinnati resigned and his work is being handled by Ray Bates, attorney.

Consideration also is being given to the appointment of a fire marshal. W. S. Bucklew, chief of the Upper Arlington fire department, has been suggested and there is talk that Ray Gill, former state fire marshal, may again be chosen.

Nation Presents Special San Antonio Success Plan

SAN ANTONIO, TEX.—M. A. Nation, president of the Modern Life, spoke to the San Antonio Association of Life Underwriters on "Methods of Work." He made a play on the word San Antonio, using each letter to feature an essential point for the successful worker to keep in mind. Sensible programming for the agent in mapping his daily plans and in presenting a plan to the prospect is essential. This means adequate preparation as to hours in the office and the field, a study of the appropriate approach for the client and a clear and attractive presentation of a plan prepared to meet the prospect's needs. Mr. Nation stressed the importance of the agent's anticipation of the requirements to fit the prospect's need and to aid him in carrying out the objectives which he has in mind. In dealing with the approach and the presentation, Mr. Nation emphasized the need for avoiding any negative suggestions which the prospect may use to delay his purchase of life insurance.

Urge Endless Change

Under "another prospect," Mr. Nation urged agents to use the endless chain method of prospecting so that at all times they may have someone to see. This tied in with "no let down in morale," emphasizing the importance of having suitable prospects in maintenance of the morale which makes for effective sales work. Mr. Nation showed how with an effective prospecting plan the agent must use methods the value of which has been proved by trial, varying these only enough to fit his personality and to meet the prospect on his thinking level.

Optimism, he stated, will come through a knowledge of life insurance, the services which it offers, and a mastery of these combined with a thorough knowledge of correct sales psychology. This involves "nice selection of prospects," choosing those who have needs, physical fitness and financial ability to pay.

Then, Mr. Nation emphasized the need for intensive study of the change of applied principles so that the agent may keep abreast of the most effective sales methods of the day. He stressed the need for the study of "others' experiences" so that applied principles may be intelligently adapted to varying situations.

Celebrate Making Allotment

CHATTANOOGA, TENN.—As a reward for making its year's allotment by October, the R. M. Wilson agency of the Commonwealth Life staff in Chattanooga was feted at a banquet. The Chattanooga unit, composed of three staffs, is Commonwealth's leading major district. Atwell Altsman is superintendent.

Eckert Columbus Speaker

C. R. Eckert, Detroit general agent Northwestern Mutual Life, addressed the Columbus (O.) Life Managers & General Agents Association on "Prestige." A seminar will be held in Columbus Dec. 7, addressed by Verne Steward. C. J. Zimmerman, general agent Connecticut Mutual, Chicago, will speak Dec. 13.

Debt Experts Would Favor Insurance Assets in Equities

Twentieth Century Fund Committee Wants Hampering Laws Changed

NEW YORK—Existing laws and administrative rules which favor debt financing by forcing insurance companies, savings banks and trustees to invest almost entirely in debts should be relaxed and perhaps eventually abolished, according to recommendations contained in the report of the debt adjustment committee of the Twentieth Century Fund, made public this week. The committee's general position is that for lasting recovery ways must be found to make equity investments more popular among investors. S. F. Westbrook, vice-president Aetna Life, is a member of the committee.

While the report does not hold the debt situation solely responsible for the depression, it states that the weakness of the nation's debt structure made the business slump much longer and more severe than it would otherwise have been.

Collapse of Debtors

"In the early depression years many over-extended debtors collapsed, impairing the position of the more conservative," the report points out. "As refinancing became more difficult, even solvent debtors became unable to carry out the artificial debt-maturity schedule and pay all debts as they came due. The resulting losses and disillusionments were among the main causes of the rush to hoard currency and of the catastrophic shrinkage of bank deposits which marked the crushing deflation of 1931-33."

"The pressure of mortgage debts put an unfair proportion of depression losses on the shoulders of debtors and led to loss of property by foreclosure for large numbers. The resulting disorders and the feeling of insecurity they bred contributed, in turn, to further business decline. The failure of railway and utility rates to fall, which undoubtedly made the depression sharper, was largely due to the pressure of fixed debt obligations."

Retarded Upswing

The report stated that other weak spots in the debt structure, particularly debts of railways and city mortgages, also checked recovery, the result being that debt weaknesses not only contributed materially to the depression but were a baleful influence on the upswing.

In addition to changes in laws and administrative regulations in connection with insurance companies, saving banks and trustees, the committee recommended that new and refunding issues of securities by federal, state, and local governments should not carry an exemption from income taxes; federal and state governments and regulatory agencies should use their influence against debt financing rather than favoring it as they do now through income tax policy, regulation of utility rates and control of local government debts; schedules for repayment of debts should be related to the probable economic life and earning power of the underlying assets; there should be more systematic and objective appraisals of assets underlying debts; plans should be made to taper off existing mortgage moratoria; further reform in laws governing

bankruptcy, corporate reorganization, etc., should aim to convert debts into direct ownership; federal and private agencies should improve available information on the debt problem; long run policies should aim at liquidation of "temporary" federal credit agencies.

W. R. Baker was tendered a testimonial dinner in Madison, N. J., where he was voted the "most outstanding citizen" of his community, and was presented a radio. He is with the Newark office of the Mutual Life of New York

and will celebrate his 50th anniversary with the company next year. He started as an office boy in 1889 in the president's office and held various home office positions. Later he took up field work and was sent to Newark, where he has been ever since. He is a former president of the Life Underwriters Association of Northern New Jersey.

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O C C I D E N T A L
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Methods of Avoiding Underwriting Delays

(CONTINUED FROM PAGE 2)

sponsible for proper answers to questions that the agent will ask before sales are made; for checking all details of applications, to see that the answers are complete and not ambiguous; for examinations, and supplementary papers; for starting inspections promptly on all cases where at least one report is required for assisting the examiners by inquiring whether specimens were immediately forwarded; and whether additional medical information is required; for securing other miscellaneous information, and generally coordinating the underwriting picture. The need is for more education and greater appreciation. A manual on underwriting, all-inclusive and in considerable detail, should not only be furnished each office but definite steps should be taken to make sure that it is studied, understood, and used."

Offers Suggestions on Home Office Handling

Mr. Ostheimer made several constructive suggestions on home office handling of cases.

"I believe that the field force realizes that you are continually seeking to improve your home office work in expediting mechanical details," he said. "However, there are times when additional information is requested by various sections of the underwriting department on separate occasions, causing us to assume that there is a lack of coordination when this occurs. Of course, it is not always possible to make all requests simultaneously, but there is certainly room for improvement in this direction. The questionnaires (sent out to get agents' reactions) revealed that some areas complain about insufficient use of airmail, telephone, and telegraph in dealings with more distant points."

Another point where improvement could be made, Mr. Ostheimer thought, is toward greater uniformity among companies, particularly on questions which companies feel the applicant should answer on the application, aviation blank, and other commonly used forms. There is a great dissimilarity at present among applications, he pointed out. In connection with these papers he suggested that sufficient space be provided on the application for beneficiary requests, including an outline of the desired settlement options, and wider use could be made of the practice of issuing booklets of beneficiary clauses. Additional room should be allowed on applications for special requests, such as predating or prorating or for explanation of other peculiar details which the agent has found necessary. Some applications now contain no space at all for such information.

Would Have Absolute Owner Form Used More

Predicting that business insurance and tax cases will undoubtedly become more numerous in the small and moderate sized amounts, Mr. Ostheimer suggested that the absolute owner form could be more generally used, also applications might more clearly distinguish between the life owner and the death beneficiary.

Mr. Ostheimer questioned whether the aviation supplement is absolutely necessary in every case. Some companies, he said, still insist on the separate paper if a flight was ever made, even 10 years ago and for only a few minutes. He thought perhaps some exceptions could be generally allowed. He said that if he were a home office underwriter he would include in the application a question requesting the agent to state briefly the basis of the sale and thereby giving a better view of the entire picture, even though it would

not affect the underwriter's final action.

While agents recognize that there is a reason for underwriting routine, they feel that an uninformed clerk sometimes prepares extra papers for the applicant's signature on trivial grounds, Mr. Ostheimer said. Citing an example of such a case, he asked that underwriters try to minimize the use of supplements, observing that "each time we see John Prospect, he has another opportunity to change his mind."

Sees Needless Delay on the Larger Risks

"Another cause of delay is the occasional inability of the underwriter to make up his mind when a borderline case is presented, or where larger amounts are involved," Mr. Ostheimer said. "You have a natural tendency to become suspicious now and then of the motives of the applicant or the actions of the agent. You are tempted to wait until tomorrow, or let another company act first, or ask for some additional information to gain time. Although anyone familiar with the vast problem of accurate underwriting should be able to appreciate at least in part the reasons for your caution, are you sometimes too critical where there is no reason and does this result in unnecessary periods of delay and uncertainty or are such delays advisable as protective measures? If you would immediately approve John Prospect's application for a moderate amount of insurance, why should issuance be delayed merely because it is for a larger amount but does not involve any question of overinsurance?"

Since delays originating with inspection companies were prominently mentioned in agents' replies to questionnaires, as well as in those received from underwriting departments, Mr. Ostheimer suggested that home offices publicly advise their field forces on the necessity and importance of inspections and how agents can assist by suggesting contacts for the inspector to make, and why an inspection report is difficult to prepare even under ordinary circumstances. Also, the field force should have a better understanding of financial information, he said.

Understanding Financial Importance Would Help

"If the field force understood why you rely upon proper financial information in judging overinsurance and speculative risks, and what formula determines the proper amount of insurance, they would give you further information to substantiate the amounts requested and they could use infinitely better judgment in selling the case," Mr. Ostheimer said. He also suggested that it might save time and money to eliminate inspections on smaller policies.

As to what the agents themselves can do to help the situation, Mr. Ostheimer said that a careful presentation and pre-underwriting job will always pay dividends and consequently, in submitting material to a home office the agents should never get into too much of a hurry.

"Most of all is the need for us to build a reputation with the companies for being a capable, intelligent, frank and honest underwriter," he said. "The confidence of company officials can be second in importance only to the attitude of our clients. We should prove that our judgment can be relied on, that we can accept fair decisions, and play a straight game all the time."

Agents Should Know More About Underwriting Job

"I feel sure that the most important factor in causing agents' delays is misunderstanding and lack of knowledge of underwriting problems. Agents should have a more intimate insight into the duties which you must perform in your home offices so that they can properly understand how impossible it is for you and your associates to be mind readers. When this was gener-

ally recognized, the underwriting material which you had placed or intended to place, in their hands would become important and take on added interest.

"An agent may make mistakes, without realizing that he had previously been instructed how to avoid them. In order to remain in step with you and to preserve cordial relations, the agent must be trained to know why you need such data and he must be convinced in his own mind that your requirements are fair and just. If you educate him to the point where he develops a good working knowledge of, and a liking for, underwriting problems, then these difficulties will be reduced or removed."

What Home Offices Could Do to Help

As a means of improving the efficiency of the field force and to issue some form of policy on every application, also to reduce the expense of acquiring new business by increasing the percentage of applied for business actually turned into paid production, Mr. Ostheimer suggested the following:

1. If my company did not accept substandard business, or declined business calling for ratings in excess of a certain mortality percentage, I would attempt to secure reinsurance facilities for a portion of this business so that I could issue policies to the maximum number of applicants.

2. If a risk was beyond our own limits and those of substandard reinsurance, I would first decide whether the risk could definitely be assigned to a mortality class. If so, I would offer a retirement or deferred annuity written on a proper substandard basis. For example, if Jones would positively be insurable at a 400 percent mortality rating, I would issue a deferred annuity with proper reserves in proportion to premium, but with an annuity return commensurate with the prospect's chance of living.

3. If an application was approved for my company's limit as part of a larger than normal line, and maximum reinsurance has been obtained, I would try to secure coinsurance for the balance of the desired amount as a service to our agent and policyholder.

San Antonio Honors Klingman

SAN ANTONIO, TEXAS—W. W. Klingman, Texas state manager of the Equitable Society, was presented a bouquet of roses, each representing an application secured by a member of the San Antonio agency, at a meeting here.

Mr. Klingman expressed his appreciation and reviewed the development of the company agency work since its return to Texas, paying tribute to those who have promoted the agency program.

Chester W. Klingman, San Antonio, presided and announced that ten new men have enrolled for the agency study course.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of Nov. 22:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.25	25	27
Central. Ill.	10	...	9	12
Cent. States Life	5	...	2 1/2	3 1/2
Columb. Nat. L.	100	...	65	75
Conn. General	10	.80	25 1/2	27 1/2
Federal Assurance	10	2.00	36	38
Federal Life	10	...	4 1/2	5 1/2
Great Southern. L.	10	1.30	21	23
Kan. City Life	100	16.00	350	375
Lincoln Natl.	10	.50	12	13
New World Life	10	.40	25	27
No. Amer. Life	10	...	2	3
N. W. National	5	.30	13 1/2	15
Ohio National	10	1.25	24	27
Old Line Life	10	.60	11	13
Philadel. Life	10	...	1 1/2	2 1/2
Sun. Life, Can.	100	15.00	460	500
Travelers	100	16.00	450	460
Union Cent. Life	20	1.20	30	32
Wis. National	10	1.00	15	17

*Includes extras.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE \$5.00 and \$2.50 respectively.

Announce Changes by Aetna Life

Rate increases on some forms involving monthly income payments, several new contracts and other changes were announced by the Aetna Life.

The insurance with life income, in both the participating and non-participating departments shows increase in premium rates, that on the par contracts being quite substantial. The nonpar insurance with life income shows a drop in income from \$10 to \$5 per \$1,000 of face amount but the par contract is maintained at \$10 per month per \$1,000.

A new contract is the limited payment life to age 65 in the nonpar department. The company also announced endowments at 60 and 60 to supplement the complete line of endowments.

In line with the practice of many companies, contracts to be issued after Jan. 1 have been revised. No changes have been made in rates on the more popular forms in either department. The participating retirement annuity, which was brought out some time ago to substitute for the nonpar retirement annuity, has been discontinued. The revised rates on income contracts are:

Monthly Income Contracts

Age	Nonparticipating				Participating	
	Inc. Contracts (Ord.)	Ltd.	5	10	20	Pay
20	\$ 7.85	14.79	\$26.35	\$18.76	\$16.72	\$14.79
21	8.05	15.16	27.02	19.39	17.22	15.20
22	8.25	15.55	27.70	20.06	17.75	15.63
23	8.46	15.94	28.40	20.77	18.32	16.08
24	8.68	16.35	29.14	21.53	18.91	16.56
25	8.92	16.79	29.92	22.33	19.54	17.07
26	9.16	17.26	30.75	23.19	20.21	17.61
27	9.42	17.74	31.61	24.11	20.92	18.15
28	9.70	18.26	32.54	25.03	21.67	18.73
29	9.98	18.80	33.50	26.09	22.48	19.36
30	10.29	19.38	34.53	27.23	23.35	20.03
31	10.61	19.98	35.61	28.46	24.27	20.77
32	10.95	20.62	36.74	29.79	25.27	21.56
33	11.31	21.30	37.96	31.13	26.25	22.41
34	11.70	22.02	39.25	32.68	27.39	23.32
35	12.10	22.79	40.61	34.38	28.61	24.29
36	12.53	23.60	42.05	36.23	29.93	25.34
37	12.98	24.45	43.57	38.25	31.36	26.47
38	13.46	25.36	45.18	40.46	32.78	27.70
39	13.97	26.31	46.89	42.91	34.44	29.01
40	14.51	27.32	48.69	45.60	36.23	30.44
41	15.07	28.39	50.59	47.86	38.19	31.98
42	15.67	29.52	52.60	51.13	40.31	33.65
43	16.31	30.71	54.72	54.54	42.64	35.49
44	16.98	31.97	56.97	58.65	45.20	37.48
45	17.68	33.30	59.34	63.30	48.01	39.70
46	18.44	34.72	61.81	68.31	50.34	42.08
47	19.23	36.21	64.52	74.45	53.72	44.73
48	20.07	37.79	67.35	80.69	57.23	47.68
49	20.96	39.46	70.32	89.04	61.45	50.98
50	21.89	41.23	73.47	99.09	66.22	54.70
51	22.89	43.10	76.81	...	71.31	58.69
52	23.94	45.06	80.33	...	77.55	63.58
53	25.05	47.18	84.07	...	83.83	68.44
54	26.23	49.40	88.03	...	92.26	75.02
55	27.49	51.76	92.24	...	102.37	...
56	28.82	54.26	96.70	...	102.37	...
57	30.22	56.91	101.42	...	102.37	...
58	31.71	59.72	106.42	...	102.37	...
59	33.30	62.70	111.73	...	102.37	...
60	34.98	65.88	117.40	...	102.37	...
61	36.77	69.28	123.39	...	102.37	...
62	38.67	72.83	129.78	...	102.37	...
63	40.69	76.63	136.55	...	102.37	...
64	42.84	80.68	143.77	...	102.37	...
65	45.14	85.00	151.47	...	102.37	...

Insurance With Life Income*

Age	Nonparticipating			Participating
	Men	Women	Men	Women
at 50	at 60	at 65	at 50	at 60
21	\$26.89	\$17.28	\$15.12	\$12.37
22	29.39	18.44	16.06	13.44
23	30.81	19.07	16.47	13.25
24	32.35	19.73	16.96	13.65
25	34.02	20.43	17.49	14.08
26	35.85	21.18	18.05	14.71
27	37.85	21.98	18.64	15.09
28	40.01	22.83	19.26	16.44
29	42.37	23.74	19.92	18.29
30	44.96	24.72	20.62	19.65
31	47.24	25.79	21.39	20.08
32	50.50	26.95	22.21	19.39
33	53.72	28.11	23.10	19.61
34	56.95	29.58	24.06	19.88
35	62.78	31.09	25.02	20.47
36	67.87	32.73	26.18	19.35
37	73.77	34.51	27.34	19.12
38	80.71	36.43	28.59	18.63
39	88.98	38.52	29.94	18.02
40	98.97	40.73	31.42	19.43
41	...	43.25	33.03	18.20
42	...	45.97	34.78	17.57
43	...	48.97	36.68	16.87

settlements where there is a withdrawal privilege. The rate is 3.5 percent where the beneficiary does not have a withdrawal right.

Pan-American Is to Adopt Option Changes Jan. 1

The Pan-American Life Jan. 1 will adopt 3 1/2 percent interest basis on settlement options. Rates on immediate annuities and life income contracts will be increased. The annuity rates will be lower than the standard table. Rates for females are the same as for males five years younger. Illustrative rates at quinquennial ages for single premium annuity and retirement annuity at age 65 are:

Income Per \$1,000

S. P. Annuities (Male)

Age	Without Refund	With Cash Refund	Retirement Ann. at 65		
			Mo.	Ann.	Mo.
20	\$40.87	\$3.34	\$49.16	\$3.28	\$14.14
25	42.55	3.47	41.55	3.39	17.07
30	44.66	3.64	43.22	3.53	21.11
35	47.33	3.86	45.28	3.69	26.63
40	50.70	4.12	47.69	3.88	34.52
45	54.97	4.46	50.63	4.12	47.10
50	60.45	4.89	54.22	4.40	50.65
55	67.56	5.45	58.47	4.74	52.20
60	76.91	6.18	63.76	5.15	...
65	83.38	7.14	70.21	5.66	...
70	106.31	8.42	77.71	6.24	...
75	129.69	10.16	87.01	6.95	...
80	162.68	12.56	98.59	7.83	...
85	210.35	15.90	112.13	8.86	...

1939 Dividend Action

Early dividend announcements are not nearly so numerous this year but from present indications there will be little change for 1939. Aetna Life is the first company so far to announce a change and that is a reduction due to lowered interest rates. Those companies which have decided to continue the 1938 schedule for 1939 are as follows: Connecticut Mutual; Great Southern; John Hancock; Mutual of Canada; National of Vermont; Northwestern Mutual; State Life of Indiana, Union Central, State Mutual, Reliance and Great West.

Reliance Continues Scale

The Reliance Life is to continue its dividend scale on participating policies, except on the old retirement income contracts issued in 1932-35. On these there will be a dividend reduction due to lower interest return.

Great-West Life Dividend Scale

AGENCY MANAGEMENT

Recruit Successful Salesmen in Other Lines, Says Harrold

DETROIT—It pays to do recruiting among successful salesmen in other lines of business, V. J. Harrold, general agent for the Lincoln National in northern Indiana, told the Associated Life General Agents & Managers of Detroit.

Too many general agents hesitate to attempt to persuade successful salesmen to leave their work to enter the insurance business, he said, but such hesitation is not at all justified. As far as sales and income possibilities are concerned, the life insurance business does not have to apologize to its prospective agents. The best men are to be found in successful men already accustomed to selling. A man who is successful in other types of selling can usually be made successful in the life field.

No Magic Short Cuts

There are no magic short cuts in recruiting; it always has to be done the hard way, Mr. Harrold declared. The thrill that the manager gets when he discovers a man who does an outstanding job makes up for the grubbing work that confronts the head of an agency in his daily work. Life insurance holds out possibilities for great success for the man who is willing to pay the price for it. Success in any line is achieved only by hard work and close application.

"It is a mistake to take a successful salesman into your agency and then expect him to forget the methods that made him successful in his former connection and learn a new method to sell insurance. The best way is to seek out the points of similarity between his former methods and his new work so that he can use as nearly as possible the same methods. This will give him confidence and will put him into satisfactory production sooner. There is no reason why he should not take advantage of his background and experience in breaking into the insurance field.

Lame Ducks Detrimental

"The quality of the men we take into our agencies will determine the quality of the business we do. Keeping a lame duck in the agency may keep out a good man." Mr. Harrold told how he had lost a good prospective agent because he already had a weak representative in the community and the new man didn't wish to become associated with such a man.

"Too many of us tend to recruit men of about our own age. This procedure is not desirable. The best policy is to go after young men. Advertising for them seldom works out satisfactorily. Leads from policyholders are better, but best of all is the method of seeking suggestions from centers of influence in communities, such as officers of luncheon clubs, chambers of commerce, school superintendents, pastors, bankers and the like."

"A good approach with a business man is to say: 'Who is the best salesman who has called on you recently?' or 'Who is considered the best salesman in town?' It pays to seek out young men who are making good, to catch them 'coming up,' especially if they are dissatisfied with their present incomes or future prospects."

Stress Good to Be Accomplished

"In talking with prospective recruits, don't stress the money-making possibilities too heavily. The life insurance business offers other strong motivations: the wonderful things that an underwriter

can do to protect families, to insure college educations for children, to prevent tragedy in old age.

In questioning a prospective recruit, too many managers stress education. Educational background is important, but there are at least six things that are still more important. Ask him first if he has ever sold anything; second, if he is accustomed to hard work or if he has had a job at which he could drift and 'get by'; third, is his health good; fourth, has he managed to save any money; fifth, is he married or about to be married, and sixth, does he own life insurance himself? His educational background should come about seventh. Eighth, is he socially inclined, a good mixer, and ninth, does he want to be a leader?

Invite Recruit to Home

Before signing up a recruit, it is a good idea to invite him to your home. Much can be judged of his calibre by seeing him socially, and it is especially desirable to have your wife meet him and give you her opinion about him. Women seem to have an intuition about such things. If he does not appeal to your wife, he will probably not appeal to the prospects he calls on.

Finally, in weighing his qualifications, ask yourself if you would like to have one hundred men like him in your agency. If the answer would be 'no,' forget him. Likewise, ask yourself 'Would I invest \$1,000 of my own money in him?' Again, forget him if the answer is unfavorable. Too, don't forget to get an inspection report on him. I have come very near contracting with men only to decide against it on the strength of an inspection report, and every time I have been glad afterward that I did not put them on."

Detroit Managers Adopt New Constitution and By-laws

DETROIT—The revised and codified constitution and by-laws of the Associated Life General Agents & Managers of Detroit were unanimously adopted as recommended by the special revision committee consisting of Will S. Reeve, Union Central; Donald Machum, Manufacturers Life, and H. B. Thompson, association secretary-general counsel.

G. E. Lackey, general agent Massachusetts Mutual, urged caution in solicitation for business on the strength of impending changes in the guaranteed interest return, pointing out that the public must not be given the impression that the present policies are too desirable as compared with those available after the first of the year lest selling next year be made difficult. Life insurance contracts with the changes will still be the world's best investment, he pointed out.

Steward to Speak in Denver

DENVER—The Life Agency Managers Association will hold an all-day session Dec. 22 at which Dr. Verne Steward will lead a discussion on "Agency Selection."

Uses Sales Map in St. Louis

ST. LOUIS—The success of his organized prospecting system was explained by William H. Van Sickler, St. Louis general agent of the State Mutual Life, at a meeting of the St. Louis Gen-

eral Agents & Managers Association.

Mr. Van Sickler has a large sales map of St. Louis and various sections of St. Louis county and East St. Louis, Ill., in his office and all prospects cards are numbered so that they automatically drop into the proper slot.

Each agent has a book in which all prospects and suspects are listed according to district, so that he can systematically work any given territory with a minimum of legwork. The agents use a policyholders file, a prospect file and a suspect file all tied in with the general organized prospecting system.

Although he has experienced some difficulty in obtaining the wholehearted enthusiasm for the plan from his old agents, Mr. Van Sickler has found that the new men readily take to the plan and as a result are doing the same amount of work in one that the average agent does in two or three days. In addition the plan encourages the agent

to do prospecting and to constantly add names to his prospect file.

It was announced that Dr. Verne Steward will be in St. Louis on Dec. 12 for a conference on his "Aptitude Tests." He will speak at the December meeting.

Los Angeles to Have Course

LOS ANGELES—The Life Insurance Managers Association will conduct a three month educational course based on the "St. Louis plan," with Prof. Charles J. Rockwell, University of Southern California, as instructor.

Williams Speaks in Wichita

J. P. Williams, educational director American College of Life Underwriters, spoke at the opening fall meeting of the Wichita Managers & General Agents Association on "C. L. U. and Its Place in Selection and Training of Better Life Salesmen."

THOUGHT PROVOKERS

Recruiting

By A. R. Jaqua, Associate Editor
Diamond Life Bulletins

So now they are adding aptitude tests (See Life Agency Officers Association reports) to the rating charts in the hope that the combined use will select the man who will make a success selling life insurance.

Let me give you what may be a new thought. It is this:

It is my belief that we will progress faster by changing the job rather than by trying to pick the rare person who possesses all of the necessary characteristics as the job is now done.

For example, Horace I. Pickus, president of the Personnel Institute of Chicago, lists 11 basic characteristics of successful salesmen. Then he says:

"Our difficulty does not rest in a theoretical determination of what qualities are good or bad, but rather in our capacity to estimate the extent to which these qualities are present or absent in the applicant. We have not perfected the instrument by means of which we would determine with precision the relative merits of any two individuals with regard to any one of these characteristics."

Ask Too Much

The simple fact is that we ask too much of life insurance salesmen. To be a successful life underwriter, as the job is now constituted, requires a combination of many qualities, and only rarely are those many qualities found fully developed in one person. We are asking a man to do a difficult job, without apprenticeship, with little training and on commission.

Lynn S. Broaddus, Chicago general agent, in a well-received speech before many associations, said that a successful life insurance man must combine the qualities of:

1. A sales manager;
2. A secretary;
3. A treasurer;
4. A salesmen;
5. A bookkeeper, publicity man and investment authority.

And it wouldn't be difficult to add to that list. Well, if it is so simple to find a man combining all of those qualities, why do most industries hire separate men for each of those jobs; why do most industries have a separate secretary, treasurer and sales manager?

After all, it's pretty hard to find a fellow who can pitch, field and bat .400. Triple-threat men aren't too common in football. But the life insurance man we ask to be a 5-threat man, with little or no real training—and on commission. Consider the job of circulation man-

ager for a newspaper or magazine. All we usually ask of him is that he be a prospector; that he be able to acquire lists of persons likely to be interested in his publication. Sometimes we require that he write the letter or booklet to be mailed to those prospects but usually we give him the services of a copy man or an advertising agency.

Yet getting of lists of prospects is just one job for the life insurance salesman and a job for which he gets no pay.

A trust company has one or more trust officers whose job it is to know taxes, probate proceedings, a little about life insurance and something of state laws. Yet all of that knowledge is only a side line to many of our expert underwriters and I can name off-hand 50 insurance men who will stack up fairly well against most trust officers.

Can Do Mathematical Work

Again, if I want merely a typist there is a test by which I can tell more about her ability in 30 minutes than I can by using her in the office for 30 days. That test won't tell at all whether she can get along with people; whether she can run her own finances; whether she has a little or big vocabulary; whether she has any sales sense at all. It will tell merely that she can run a typewriter with some skill.

Also, if I want to hire an actuary, there isn't much difficulty. If he has had the proper schooling, passed the proper examinations, he can usually be depended upon to do the mathematical work required. But I will know nothing about his ability to sell his figures to the field force (and most of them haven't that ability); I will know nothing about his ability to stimulate and create good will for the company among the field force (and most of them haven't that ability).

Requirements of Agent

If you want a medical officer it isn't very difficult to find one. If he is an M. D., if he has had enough experience in insurance to sharpen his judgment, he will probably get a job and hold it until he dies. But you won't know anything about his ability to sell the company policies to the field force (and most of them haven't that ability); you will know little about his ability to pick good examiners in various territories and keep them working happily for the interests of the company. That is to say, you pick him for one specific job and as long as he does that job reason-

ably well he is assured of practically a perpetual lease on a salary.

But you ask the life insurance agent to know a great deal about figures so that he can meet competition; you ask him to know a lot about underwriting so that he won't send in applications from sub-standard risks; and those are just incidentals to the agent's real job, which is to be a sole proprietor in one of the most difficult selling jobs in the world.

THE NATIONAL UNDERWRITER for Nov. 4 had an article on Herman Duval, premier Northwestern Mutual agent in New York, an unbroken record of more than 100 lives per year for 23 years, a master if there ever was one. Mr. Duval says:

"In the beginning I did much joint work. I got very practical instruction and training through the apprenticeship method, which can't be beaten."

Suppose you question several hundred agents as to how much apprenticeship they have served. Not more than one out of 10 have ever seen an expert demonstrate how to get prospects. Not more than one out of 10 has ever seen an expert present any one of the 15 or 20 packages which life insurance has to sell to cover insurance situations. Not more than one out of 10 has ever watched an expert close one case. Not more than one out of 10 has ever been under the guidance of an expert for as long as one week, that he might form proper record-keeping habits.

Others Serve Apprenticeship

Yet your actuary, your underwriter, your medical man, your editor, your artist, your musician, your lawyer spends usually years as an apprentice, and usually he receives a living wage during that time.

At a recent general agents and managers meeting, there were 40 men present, some of which were supervisors. Only four men in that entire group had been general agents 10 years previously.

I can name you a city of half a million in which there have been 15 general agent and manager changes since last January. That is to say, the turnover among general agents and managers is comparable to that among agents. And do you know the real reason?

The real reason is that the ability of an agent can be measured every day, or at least every week. He either gets immediate results or he doesn't. And likewise with the general agent. Neither get paid on prospecting; neither get paid on presentation; neither get paid on good will built for themselves, their agency or their company; neither get paid on anything except applications.

But an actuary or an underwriter or a medical director or an editor or an educational director can go along for years and it is exceedingly difficult to measure whether or not he is doing a good job.

It is a well-known fact that perhaps 25 percent of our teachers in the United States are not good at teaching. But no standard of measurement for teaching has yet been set up. With an agent, however, the standard is specific and daily—does he pay for business?

For 50 years we have been recruiting men to fit the job of life insurance selling. But today in industry there is a strong tendency toward fitting the job to the man. In my opinion, we must follow that lead rather than try to recruit the rare chap who has all of the qualities now required.

For example, in the riveting department of a great steel plant, the personnel man formerly selected those who were partially deaf or with dull temperaments because of the terrific noise. But an intelligent president hired an engineer and he submitted designs for shock-absorbers and spot welders. Now the din is over. They need not hunt for half deaf workers and dull spirited ones.

Formerly the railway company had

to pay a premium for men of keen eyesight, quick nervous reactions, steady nerves and ears for their engineers. The personnel man must recruit such men. Meanwhile, however, an engineer invented an automatic safety control, and now it is of no particular importance that an engineer have very superior eyesight. The job has been transformed to fit the man.

As a hint of what can be done, we have companies with a direct mail system which eases the prospecting job. We have a few agencies which do an office prospecting job, wherein agents are handed leads. In **THE NATIONAL UNDERWRITER** Company, a great step was made when we instituted a prospecting bureau. This by no means excuses any salesman from doing his own prospecting, but it does give him live prospects in every city he visits, and the benefits to a salesman's morale and to his eventual sales is tremendous.

Should Work Out System

It should not be required that a man fail at this business because he is not an exceptional prospector. Either the company or the agency together must work out a system which will give that man a part of the prospects he needs. It should not be required that a man fail at this business because he is unable to budget a very uneven income over even expenses. The overwhelming majority of salaried workers would fail too if they didn't get their checks regularly. At least as important, in my opinion, as some method of early financing is some method of budgeting which will give a man a reasonably even income.

Good underwriters get from 10 percent to 25 percent of their business by ordering out extra policies when they know the prospect is able to pay for an additional policy and has the need for it. It ought not to be necessary for every salesman to acquire that technique. Someone in the agency, it would seem, could look over every application when it comes in, compare it with the man's picture, and suggest an extra policy to cover a specific need.

Watch Age Changes

It is said that about one-third of all policies sold are sold during the 30 days preceding or following age change. It ought not to be necessary that a man lose one-third of his potential business because he hasn't acquired the technique of getting, filing and following up age changes. He can be trained to get them and a clerk can file them and place the leads on the agent's desk at the proper time.

It ought not to be necessary to depend upon the ingenuity of each advanced underwriter to draw up attractive proposals for men of means. A few agencies and a few companies have taken a forward step in supplying attractive proposals with tax or business insurance or estate analysis information once the agent has brought in the picture.

Fit Job to Average

My plea, therefore, is that we spend less time in trying to recruit an exceedingly rare combination of qualities; that we spend less time trying to devise tests to tell whether or not a man has those qualities (especially since the best psychologists admit they are baffled in testing for many of the qualities) and that we spend more time in fitting the job to the capabilities of just-a-little-better-than-average-man.

Few people realize the manifold qualities required to become a successful life insurance agent, and apparently still fewer people realize that a general agent or manager must have all of those qualities plus several others even rarer. Is it not possible we will get farther and faster by hiring a few experts to do part of the job instead of spending time and money trying to recruit the chap who combines in himself all qualities?

It may well be said that if the com-

TRENDS & VIEWS

Mortality Savings for Profits Becomes Expense Conscious Learn Underwriting Lessons

Due to the fact that interest earnings have diminished so much in life insurance portfolios and the fact that the expense loading is almost all absorbed it has been necessary to rely almost entirely on mortality savings for profits. This places the companies in a position where they are playing on one string instead of three as heretofore. Excess interest earnings above that required to maintain the legal reserve have always been a real factor in providing profits.

In some ways the present situation may not be entirely an ill wind. Company executives have been forced to adopt a more exacting attitude as to expenses, acquisition cost, etc. Furthermore, underwriting departments are not taking the chances they have, especially on applications where the applicant carries what seems to be a very large amount of insurance and then again on maximum retention in their own companies.

* * *

CONSIDERATION OF EXPENSE

Take the matter of expense, for example. The other day a prominent executive very frankly stated "I am getting expense conscious." He illustrated that by saying he had just accepted a reversal of charges on a long distance call from Boston. He said that before he allowed this charge to be made he quickly recorded in his mind whether he thought it would be worth while. In days gone by he would have accepted the call with alacrity. That caused him to say that long distance telephoning had been cut down 50 percent or so in his own company because it was necessary to reduce expenses. A telegram, an airmail letter or even a 3-cent stamp now does the work that a long distance telephone call accomplished in days gone by. "In fact," said he, "we are all studying expense up and down the line. If we think it vitally necessary to use the long distance phone we do not hesitate. However, we do not use it because it is easier than dictating a telegram or writing a letter. Sometimes we are inclined to send a telegram and then we ask ourselves whether an airmail letter would not be just as effective."

* * *

CONVENTION EXPENSE

Another official when asked whether he intended to go to the annual meeting of the Life Presidents Association in New York City replied that he had decided not to make the trip and then added this explanation:

"It has been my habit to go every year. It is a trip that I enjoy because I come in contact with a number of people. I have not hesitated to go because of the expense heretofore. But recently I have asked myself, does my company get value received for spending the amount necessary to make the trip? We do not prohibit our people from attending a convention or making a trip if it is worth while and we feel it is of real benefit. We are drawing the line where we are inclined to doubt whether the advantage we get is worth the money expended. In the past, convention expense has not been taken into consideration. This is an indication in my mind of the fact that executives are giving the matter of expenses considerably more thought. This item or that may not be so great. In the aggregate the total expense, however, amounts to much and it could be cut down. I am referring to preventable expenses. There were many ways of spending money in

pany or agency does part of the work now required of the agent, the commission to the agent should be cut accordingly. This would be entirely proper because 3 percent on \$1,000 is still more than 6 percent on nothing.

the past that we did not consider in a serious way that we now have eliminated. There has been much undue spending in the way of entertainment. In my opinion more and more executives are considering these smaller expense items."

* * *

UNDERWRITING PROCEDURE

Underwriting departments of companies have certainly learned many lessons during this depression period and particularly one that relates itself to so-called jumbo or very large lines. A company has taken business with considerable alacrity on a man who is carrying a large amount of insurance and its own net retention has been stretched. This has been a very expensive process, both to the company itself and its reinsurers. It has been found that an average cannot be secured on these large risks. It is the small units everywhere that are more profitable. It is the big projects that collapse that leave a big hole. Men carrying large lines of insurance usually are subject to great stress and strain. Many of them are of the promoter type. They are the ones that have jumped out of windows, been found dead in garages or have taken other means to explore the unknown.

Mortality is very good this year. The general population mortality is excellent. This is reflected in the life insurance experience. Therefore, there is pressure on part of some agents to have companies loosen up on their underwriting. Underwriters call attention to the fact that what they do now will have a very grave effect seven or eight years ahead. Underwriters say that it is wise and almost necessary to maintain a level on underwriting. That is, a safe policy should be decided and it should be continued. The mortality may be very excellent this year and exceedingly high next year. An underwriting policy that fluctuates is dangerous. The peril comes, underwriters say, in attempting to pass on large risks and those on the border line. It is here that a false move may be very expensive. So many factors enter in to underwriting at this point that a mistake in judgment may be extremely costly.

Some of the reinsurance companies have a sad lesson to tell because of their experience where a primary company has passed on risks of this nature. In fact, some of the primary companies have found it necessary to revise their own limits in view of the fact that the reinsurance companies are getting more rigid in their requirements. Underwriters agree that it is not what might be termed the small or moderate policies that do the damage but it is always the big ones.

* * *

AGENCY EXPENSE

Speaking of expense, commanding executives have found it necessary to clamp down somewhat on agency departments where there is a tendency to take too many chances on what seems to be a fair man or general agent. An agency manager may feel that he is warranted in going to extra expense in opening up a territory and establishing an office. In order to attract a proper man he will pull open the throttle beyond normal. The result is that he will be paying far more for business than it is worth. Companies have been able in the past to be experimental because of the profits earned but with that factor considerably lessened it is necessary to count the cost. This has resulted in higher selectivity of men, less financing and a greater study of quality rather than quantity. Volume has often been costly. But executives are not shutting down on expenses where the returns are worth while. They are endeavoring to eliminate long shot expenses, the speculative ones. These have been the most costly in agency management. Too many experiments have been tried and too few have succeeded. A number of presidents undoubtedly have been alarmed at the number of recruits brought into the business and the immense turnover. This has meant waste. In connection with agency work there

has been a much greater effort to try to conserve business and keep it on the books. A policy saved is a policy earned. It is much less expensive to hold a good risk on the books than to try to get another one to replace it. The great strife for volume in order to make a showing has indeed been costly. It is a false pride but it has been shouted from the house tops as an incentive to get more men in the business.

* * *

STUDYING GUARANTEES

In view of the declining rate of interest and the uncertainty of the future, companies have found it necessary to study very carefully the guarantees they are making that extend long in the future. This has resulted in readjustment of options, decreasing rate of guaranteed interest on proceeds left with the company and making other revisions that will not bind the institution beyond a safe point. Life companies have taken on during the last 15 or 20 years many responsibilities that they did not prior thereto. They have permitted policyholders to have beneficiary clauses, trust agreements, etc., for which there is no adequate return. In fact, these have been lumped in with no additional cost and have now become expensive.

Taking, therefore the situation as it stands today various managements are studying the cost of everything in their institutions. The old days of wide open expenses are gone. Unless there is a tightening up all along the line, danger is ahead.

Sun Life of Montreal's Leaders in October

Leading United States producers for the Sun Life of Canada during October were Mrs. Ethel K. Loveland and Albert Eschner, both of the Los Angeles branch. In third place was Samuel Magid, Des Moines. Ranking next was M. G. Freeman, Philadelphia, premier eastern U. S. representative, while J. D. Bowen captured first place honors for the central U. S. division. Others included in the top 20 were F. G. Bentrup, St. Louis; J. R. O'Mahoney, Pittsburgh; John W. Fike, Denver; Walter Gruber, Canton, O. In the group field top place for the month was captured by J. J. Gonzo of Detroit.

Results in the advertising copy contest conducted by the Sun Life for its agency representatives in Canada and the United States have been announced. The winning slogan was submitted by R. E. Bond of Cleveland, who receives first prize of \$25. In second place, receiving a prize of \$15 is G. G. Grigg of Winnipeg, Man., while T. Q. Ashburn, Atlanta, is awarded third prize of \$10.

Sun Life's U. S. Managers to Meet in Chicago

The annual managers conference of the Sun Life for all the staff in the United States will be held in the Edgewater Beach Hotel, Chicago, Dec. 15-17. Managers, assistant managers and agency assistants will attend. This will be the first time the conference has been held in Chicago.

From the head office in Montreal are expected to attend President A. B. Wood, G. W. Bourke, actuary; W. S. Penny, director of agencies; J. S. Ireland, superintendent of eastern U. S. agencies, and G. T. Bryson, assistant eastern superintendent; C. H. Heyl, superintendent of central U. S. agencies; R. H. Finger, superintendent of western U. S. agencies; C. E. Reid, superintendent of agency sales promotion division; A. C. Coughtry, assistant superintendent group department, and S. C. H. Taylor, assistant superintendent of sales promotion.

G. A. Pauls has been named district manager of the Ohio National Life at Washington, Ia. He has been agent of the Prudential there.

Chartered Life Underwriter and How to Get the Degree

With the continued growth of the "Chartered Life Underwriter" movement, commonly referred to as the "C.L.U." and the recent active advocacy of this special professional training by company executives including even those of industrial companies, THE NATIONAL UNDERWRITER is receiving more and more inquiries concerning all phases of this work. Active enrollment is now said to be at least three times that of last year and undoubtedly many more thousands are considering becoming "C.L.U.'s". For these, and all who are interested, THE NATIONAL UNDERWRITER presents the following factual outline concerning this movement which will answer most of the more common questions.

How the Movement Started

In 1927, the board of trustees of the National Association of Life Underwriters approved the creation of what is called the American College of Life Underwriters. The "American College" is a non-profit organization now entirely independent of the association and whose main purpose is to sponsor the development of an educational standard among those engaged in life underwriting—standard of education that involves not merely life insurance proper but in all the closely allied business educational subjects, essential to the rendering of expert advice and service to the insuring public. It is not like an ordinary "college"—but rather it has set up and carries out a national plan through which individual, local units all follow the same educational schedule.

Since its conception, the "American College" has built up a very comprehensive study and examination program through which life insurance salesman may (by passing both the eligibility requirements and also each of five thorough examinations in all subjects affecting the work of qualified life underwriters) attain what is called the "C.L.U. degree." This degree is somewhat comparable to the "C.P.A." (Certified Public Accountant) degree in the field of accounting. It designates that the underwriter with a C.L.U. degree has spent time and effort to prepare himself thoroughly and is qualified to render a service worthy of the confidence and respect of the public.

American College Officers

Among the present officers of the American College are such well known men as Julian S. Myrick of New York City, manager Mutual Life, who is chairman of the board; William M. Duff of Pittsburgh, manager Equitable Society vice-chairman; Dr. S. S. Huebner, president; Dr. David McCahan of Philadelphia, dean; John A. Stevenson, Penn Mutual, secretary, and F. W. Ganse, treasurer. Dr. B. E. Wyatt is counselor of the educational advisory department. The registration board consists of Dr. John A. Stevenson, chairman, W. M. Duff and Dr. David McCahan, and has headquarters at Philadelphia, N. E. Corner of 36th and Walnut streets.

The eligibility requirements for the "C.L.U." are that the applicant must be (1) 21 years of age and of good moral character, (2) that he must have had at least three years satisfactory life insurance selling experience and (3) that he be a graduate of an accredited four year high school or its legal equivalent.

The actual examination consist of five separate sections covering all the basic business educational fields necessary to the efficient underwriter. They include economics, government, sociology, taxation, commercial and insurance law,

law of wills, estates and trusts, corporation finance, banking, credit and investment in addition to regular life insurance training. Examinations are held annually in June in various conveniently located cities throughout the country—frequently in and with the cooperation of a large number of universities and colleges.

The procedure for taking the examinations includes obtaining from and filing with the registration board, the required application form with a registration fee of \$15. Then of course it is necessary to arrange for the actual taking of the examinations before June 1 and to determine the nearest convenient place where they will be held. The fees are \$20 for each of the five exams—a total of \$100.

Cooperative Training Fund

A number of the companies have subscribed prorata to what is called the "Cooperative Fund for Underwriters Training." These companies issue credit certificates to their agents, which certificates are accepted by the college as one-half payment of the fees. At least 80 universities and colleges through the country are actively cooperating in holding instruction classes in preparation for the examinations. In some 125 communities, local agents have organized their own study groups for the same purpose. Although the American College of Life Underwriters does not require the use of any particular text books in preference to others, it has of necessity made suggestions of texts in order that the student may have a means of gauging the scope of the examinations.

List of Suggested Books

The list of books suggested by the American College for use in preparation for the C.L.U. examinations is as follows:

PART I—LIFE INSURANCE FUNDAMENTALS

- a. Economics of Life Insurance: Economics of Life Insurance, Huebner \$2.50
- Life Insurance as Investment, Huebner & McCahan 2.50
- Business Life Insurance Trusts, Scully and Ganse 2.50
- b. Principles and Practices: (one) Life Insurance, Huebner 3.50
- Life Insurance, MacLean 4.00

PART II—LIFE INSURANCE SALESMANSHIP

- a. Principles of Salesmanship: (one) Selling Life Insurance, Stevenson 3.50
- Brief Course in Selling Life Insurance (2 vol.) Callahan 5.00
- b. Psychology of Life Insurance Salesmanship Psychology of Selling Life Insurance, Strong 4.00

PART III—GENERAL EDUCATION

- a. Economics: (one) Economic Problems of Modern Life, Patterson & Scholtz 4.00
- Economic Principles and Problems, Spahr (2 vol.) 5.00
- b. Government: New American Government and Its Work, Young 3.75

- c. Sociology: (first and either second or third) Social Change and Social Problems, Bossard 3.50
- Sociology of Life Insurance, Woods 2.50
- Relation of Life Insurance to Education and Philanthropy, Stevenson 2.50

- d. English (one) A Guide to Good English, Woods 1.00
- Effective English, Wann 1.40

LAW, TRUSTS AND TAXES**PART IV—LAW, TRUSTS AND TAXES**

- a. General Commercial Law: (one) A Manual of Commercial Law, Spencer 3.00
- Principles of Business Law, Dillavou and Howard 5.00
- American Business Law, Sullivan 2.50
- Business Law, Coyngton and Bergh 4.00

One Dollar May Do the Work of Five in Pension Trusts

NEW YORK.—Pension trust plans are particularly attractive to corporations whose stock is closely held by a few shareholders in the upper income tax brackets, according to E. M. Klein of the McMillen agency of the Northwestern Mutual Life in New York City. Mr. Klein is a member of the Million Dollar Round Table and writes a large amount of pension trust business not only in the New York area but throughout the country.

Owners of such corporations wish to pass on benefits to their employees can do so in some cases for less than 22 cents out of their own pockets for each dollar made available to the employees. The owners' ability to make a large contribution to the employees pension trust plan is, of course, due to the saving in taxes which the government would otherwise get. First, there is the income tax on corporations, amounting to 16 to 19 cents out of each dollar, then, what is left of the dollar, ranging from 81 cents to 84 cents, is paid to the stockholders, who are subject to a personal income tax ranging up to 75 percent, depending on their taxable income.

It is true that to get the maximum return out of each dollar the owners put into a pension trust plan the corporation would have to be paying a 19 percent income tax and the owners would have to be in the top income tax bracket, where 75 percent of taxable income must be given up to Uncle Sam. In such a case the owners would have to put out only 21 1/4 cents net for each dollar to be contributed to the employees pension plan.

However, substantial savings in taxes result even below the top personal income tax brackets. For example, the personal income tax rate on a \$300,000 taxable income is 65 percent. An owner in this bracket, deriving his income from a corporation which pays only a 16 percent corporate income tax would be paying less than 30 cents for each dollar contributed to the employees pension, the difference being made up in tax savings.

Mr. Klein is emphatic about the danger of going at pension trust sales just as a means of avoiding taxes. There must be a genuine desire on the part of the stockholders to do something for their employees. The income tax laws merely foster this generous impulse and make it attractive to the stockholder by making each dollar they contribute several times more effective than it would be if it were not for the tax angle.

- b. Wills, Trusts and Estates: Wills, Stephenson 3.00
- Living Trusts—Including Life Insurance Trusts, Stephenson 4.00
- Business Life Insurance Trusts, Scully and Ganse 2.50
- c. Taxation: The Estates, Trusts, Business Insurance and Tax Service, of The Diamond Life Bulletins, and also other Tax Services.

PART V—FINANCE

- a. Corporation Finance: (one) Financial Organization and Management, Gerstenberg 5.00
- Corporation Finance, Hoagland 4.00
- b. Banking and Credit: Money and Banking, Bradford 3.75
- c. Investments: (one of first three and the last) Principles of Investment, Kirshman 5.00
- Investments, Jordan 4.00
- Investment Principles and Practices, Badger and Guthman 6.00
- Life Insurance as Investment, Huebner and McCahan 2.50

All of these books are sold by THE NATIONAL UNDERWRITER at the prices shown. When 10 books or more are ordered at a time, a 10 per cent discount is allowed. Additional data may be had from THE NATIONAL UNDERWRITER Book Department, the headquarters of which are at 420 East Fourth street, Cincinnati.

Double Indemnity Firmly Entrenched

(CONTINUED FROM PAGE 1)

mill by anticipating the potential troublemakers and eliminating the unfit."

Not all life insurance issued standard, Mr. Robotham added, is eligible for the double indemnity benefit, and acceptable and financially eligible applicants may not get the maximum coverage in territory which has adverse laws or court rulings, or if they are engaged in speculative enterprises. Double indemnity on substandard issues, he held, is open to question.

Retention limits are the most important factor in consideration of the benefit, for experience shows that costs increase with amount; and the net death loss also becomes greater with advancing age. The lower net claim cost on the benefit in life companies than shown in the experience of the Bureau of Personal Accident & Health Underwriters under its cancellable policies providing a death benefit is probably due to medical examinations and to the elimination



H. F. LARKIN

of speculation due to the requirement that the applicant has to carry a like amount of life insurance.

Chairman of the afternoon meeting was W. H. Dallas, Aetna Life vice-president, who conducted an informal discussion of various phases of underwriting. Leigh Cruess, underwriting vice-president Home Life, as chairman of the second day's session, introduced Berkeley Cox, associate counsel Aetna Life, who discussed exceptional state laws affecting life insurance.

Speaking of discrimination and rebating rulings in various states in relation to the dating back of policies, Mr. Cox said, "So long as every policyholder pays the proper premium for the age at which the policy is issued it should not be held that there is any discrimination against those policyholders whose policies are not dated back." There are states, he added, in which ante-dating is ruled discrimination, though in those states contracts may be dated to the time of application. Some companies add endorsements concerning contestable periods and suicides, specifically stating that these periods begin at some date other than was written in ante-dating.

Mr. Cox considered state by state statutes concerning suicides. Several states, he said, limit the period of reduced liability to two years, others to one year. One state completely eliminates any defense by requesting proof by the company that the policyholder contemplated suicide when he applied for insurance.

Duration of the first premium has come up in courts for decision, Mr. Cox held, adding that some of these decisions have made it advisable to show clearly the due dates of renewal premiums and

the agreement of all parties that the first premium, whenever paid, will not keep the policy in force beyond the renewal date plus the grant of time in the grace period.

Discussion sections during the meeting were led by Walter Menge, Lincoln National; F. Phelps Todd, Provident Mutual vice-president and insurance supervisor, and Malcolm Adam, vice-president Penn Mutual.

A. J. Ostheimer of Philadelphia; Edward I. Brown, Boston, and Harry O. Rasmussen, New York, presented the field men's view of underwriting.

Harold Davies, assistant superintendent Equitable Society, led the occupational committee meetings, which discussed occupational hazards in selected industries from a health-accident standpoint.

Concern Felt for Prospect Scarcity

(CONTINUED FROM PAGE 1)

china eggs and would probably be extremely useless as sources of business after Jan. 1.

The situation is not uniform as far as agents of different companies are concerned. Some are making such comprehensive changes that about the only thing to talk about in the new policy will be the 5 percent policy loan interest rate, which is admittedly a rather weak motivation for a purchaser who could hardly hope to borrow on his policy before two or three years at the earliest. Other companies are not making such numerous changes in their options and could offer a pretty fair comparison with the present contracts.

One form of meeting the situation will be to use options so as to take advantage of the favorable provisions of a prospect's existing insurance and then use the present insurance in such a way that it will be paid out on one of the options which will remain unchanged, such as the options calling for payment of proceeds for a specified period only.

Colorado Benefit Group Elects

DENVER—Marion R. Jones, General Benefit Association, Denver, was elected president of the Colorado Federation of Mutual Life Associations at its annual convention here. H. P. Brackelsberg, Western Slope Mutual Grand Junction, was elected vice-president and Mrs. E. D. Gothman, Great Eastern Mutual, Denver, secretary-treasurer.

W. E. Bickel, deputy commissioner of mutual associations, spoke on accounting systems and procedures; V. L. Tickner, of Great Eastern, on underwriting of risks and Otto Friedrichs, attorney for the association, on legal aspects of mutual benefit operation. Banquet speakers included J. G. Donaldson, assistant attorney general; A. O. Johnson, state commissioner of mutual benefit and building and loan associations, and C. E. Huff, former president National Farmers Union.

Middle Atlantic Medical Club

The Middle Atlantic Life Insurance Medical Directors Club, which was organized in November, 1936, is composed of the medical departments of companies with headquarters in Virginia, Maryland and the District of Columbia. It meets three times a year. Dr. J. H. Dunkley, medical director Shenandoah Life of Roanoke, is chairman; Dr. E. S. Williams, medical director Life of Virginia at Richmond, is secretary.

Wesley E. Monk to Preside

Because the Association of Life Insurance Counsel's president, Clyde P. Johnson, Western & Southern, is convalescing from an operation and will be

unable to attend the meeting, Wesley E. Monk, Massachusetts Mutual, vice-president, will preside. The meeting will be held at the Waldorf Astoria Hotel, New York City, Nov. 29-30.

Agency Officers Set Dates

The joint meeting of the Life Agency Officers Association and the Sales Research Bureau in 1939 will be held Oct. 31-Nov. 2. Official registration figures for the 1938 meeting show an all time high in attendance with 431 company officials present. There was an average

attendance of 318 for each of the main sessions, the session covering sales management in other industries was the most popular with the recruiting session a close second.

Bankers of Iowa Managers Meet

More than 60 agency managers of the Bankers Life of Iowa, representing all sections of the country, attended the fall business meeting in Des Moines.

The Bankers Life is expected to announce shortly some slight changes in its policies.



STEADY!



THAT miracle of balance, a child's gyroscopic top, can stand steadily on the edge of a tumbler. The same principle enables a huge gyroscope to hold a ship upon an even keel, even in stormy weather.

You, as a life insurance policyholder, are a part of a great force which helps your family directly, and . . . by similarly helping many American families . . . acts as a gigantic stabilizer for the entire nation.

During the troubled years from 1930 to 1936, this country's life insurance companies stood serene. They paid to policyholders and beneficiaries an average of \$26,000,000 every week. This was in cash. It went to people all over America, more than half of them living policyholders.

This money saved homes and prevented panic. In thousands of families, while other investments were collapsing, it renewed courage and restored confidence.

The first chartered mutual company, the pioneer in its field, New England Mutual has always been a stabilizing force in America's economic progress.



** In 1929, John W. — owned various securities worth about \$5,000. They were worth only a fraction of this amount when he died in 1935. His New England Mutual insurance of \$30,000 proved to be his only investment that remained 100% sound. Is your backlog of life insurance sufficient for the particular needs of your family? Write Department TG, 87 Milk St., Boston, Mass., for our booklet entitled "How Can I Build an Estate with Safety?"*

NEW ENGLAND MUTUAL

LIFE INSURANCE COMPANY

GEORGE WILLARD SMITH, President

AMERICA'S FIRST CHARTERED MUTUAL LIFE INSURANCE COMPANY



The only legal reserve life insurance company

Exclusively for Lutherans

EDITORIAL COMMENT

Primary Step in Public Relations

IN THE SAME mail a life insurance policyholder received two envelopes. One from a large, nationally known department store told him that this was the first anniversary of his charge account with them and although he might not recall it, the store did and it appreciated his patronage, etc. The other envelope contained a second year premium notice in which he was "hereby given notice that a premium will be due and payable as specified, etc."

This was the first premium notice he had received on this particular policy as he paid the agent his first premium. There was no letter, not even a printed enclosure reinforcing the sales talk the agent had given. The only message was "pay up or else..."

It doesn't require a high price public relations man to diagnose this situation nor does it require a large expenditure to send out a friendly form letter to re-

sell the policyholder on his wisdom in purchasing and investing in life insurance.

Bankers have long had the reputation of being cold and hard boiled and many life insurance home offices have similar tendencies. Home office sales congress speakers talk on the value of the emotional appeal, stress the idea of selling a program for providing for Mary and the children and using human appeals in general. Then after a policy is sold on that basis and becomes more than just a piece of paper in the mind of the prospect, the second year premium notice, cold and formidable, brings the policyholder down to the earth and he is no longer a man with a plan for living but a party to a contract. Maybe some of the human appeal of the agency department should be extended to the collection division. Diplomacy and courtesy are valuable in business.

the income from interest on the different funds. This means that insurance enterprises have renounced the right to make a direct profit out of their service to the assured and are satisfied with the indirect earnings on the funds in their hands. From the diagrams it can be seen how the funds are generated by the very nature of the insurance business. This renunciation of the right to make a direct profit is a moral factor which contributes in no small measure to the solidity and long life of insurance enterprises."

If this conception were given generally to investors and to all insurance operators,

many headaches would be avoided. Of course, it is the conception of seasoned company managements but the collapse of most of the green insurance promotions is certainly traceable to the fact that the promoters had the idea of "grabbing" a direct profit, rather than renouncing such profit. Mr. TUMA's analysis of insurance does not provide much of a prospectus for salesmen of stock in new insurance companies, debentures, underwriting participations, surplus notes or what not. He leaves the impression that insurance is a slow game; that there is only one way to play it and that is the hard way.

PERSONAL SIDE OF THE BUSINESS

W. F. Hanselman, superintendent of agencies Union Central Life, spoke over radio station WLW, Cincinnati, on a program sponsored by the Ohio Federation of Women's Clubs, his topic being "How to Spend Money."

W. J. Olive of Holland, Mich., general agent of the Franklin Life, has moved his office into modern quarters at 34 West 8th street. He has represented the Franklin Life in his city for 35 years. The agency has more than \$5,000,000 of insurance on the lives of people in the Holland district. It has paid the beneficiaries and policyholders in the same territory over \$2,000,000. Mr. Olive is starting his second 35th year with the Franklin Life with renewed enthusiasm.

Mr. Olive and his associates held open house one day and evening where their policyholders and other friends were received.

Frank D. Jackson, who was president of the old Royal Union Mutual Life of Des Moines from 1899-1924, and was governor of Iowa from 1894-96, died in Redlands, Cal., at the age of 84. While Mr. Jackson was president of Royal Union Mutual Life, Sidney A. Foster was secretary of that company. Mr. Foster was one of the founders of the American Life Convention.

The Northwestern Mutual general agency of **E. T. Lothgren** in Providence, R. I., is moving to the National Bank and Commerce building. It will occupy the entire third floor of this building, on Westminster street. The new quarters offer a much improved layout and will give both Mr. Lothgren and his associates better working quarters.

Alex N. Rosati, who represents several life companies in Detroit, reports total value of business written in October of \$231,000.

E. E. Kirkpatrick, superintendent of agencies Ohio National Life, spent a few days in Chicago last week attending a sales meeting sponsored by the Chicago Sales Executives Club. While most life insurance men confine themselves to conventions within the business itself, Mr. Kirkpatrick likes to go to meetings of people whom life insurance men will sell. It gives him a fresh outlook and new perspective. The Ohio

National is preparing for its 1939 sales activities. Mr. Kirkpatrick desired to get the attitude of sales executives in other lines.

The so-called tax-free home proposition in Arizona was defeated by about 3,000 votes in the recent election. It was sponsored personally by **M. C. Reese**, president of First National Benefit Society of Phoenix, Ariz.

Judge C. S. Younger of Columbus, O., president Cooperative Life and former insurance commissioner of Ohio, is seriously ill. He underwent an operation recently. He is in very bad shape.

S. M. Babbitt, 60, president Great American Life, Hutchinson, Kan., died suddenly in Wichita while in a business conference. He had been in apparent good health and was en route back to Hutchinson following a business trip in southeastern Missouri on which he was accompanied by Mrs. Babbitt. Prior to organizing the Great American, 21 years ago, Mr. Babbitt had operated an agency in Beloit, Kan.

President H. A. Behrens of the Continental Casualty and Continental Assurance of Chicago attended the annual meeting of the American Bankers Association at Houston last week.

W. H. Konawel, New Orleans manager of the Washington National, with which he had been connected 30 years, died there following an illness of a few weeks. His territory included Louisiana, much of Texas and part of Arkansas.

C. C. Withers of Newark, president of the Lincoln National Bank, and former New Jersey commissioner, has been appointed to the executive committee of the American Bankers Association and also a member of the legislative committee.

In honor of **Mrs. Mary Ellen C. Marshall** on her 30th anniversary with the Equitable Society at Little Rock, the members of the Moses agency there designated Oct. 24-29 as a week dedicated to her. They wrote 65 applications for a volume of \$130,000 in her honor. These applications, symbolized in 65 Marechal-Neil roses, were presented to Mrs. Marshall with a flood of letters, telegrams and cards of congratulations. She was a pioneer among women agents

Effect of Fear on the Mind

ASSISTANT SECRETARY A. E. N. GRAY of the PRUDENTIAL, who is a popular speaker at agents' meetings, is a philosopher and psychologist. In one of his recent addresses he commented on fear and its effect on the mind. In many cases fears are groundless and are based largely on fancy or suspicion. Let fear once conquer a

man and he breaks. It is a weakening and destructive influence. Mr. GRAY states that when a man becomes subject to fear then he should concentrate with all his power on his work. He should so absorb his time and energy that there is no chance for fear to work. Fear, like weeds, grows best in fallow ground.

Who Wrote the Business?

IN HIS paper before the INSTITUTE OF HOME OFFICE UNDERWRITERS at Louisville, C. F. BARNEY, manager of the underwriting department of the AMERICAN UNITED LIFE, made the apt remark that "Who wrote the business?" is becoming more and more important and pertinent as a consideration in the selection of risks by the head office. Naturally an agent who is very reliable and conscientious, who has

the power and ability to discriminate, offers what he considers business that will be accepted, gains the confidence of the underwriting department. There is much after all in underwriting at the source. If the life insurance salesman is to be called an "underwriter" then he should not belie the title. He should really do some underwriting. It is very properly one of his most important functions.

Renouncing Right to Make a Profit

THE "Review" of LONDON publishes an article "Insurance Accounts Represented by Diagrams," the author of which is JAROSLAV TUMA of the First BOHEMIAN REINSURANCE Bank, PRAGUE. The material and the diagrams are not readily comprehensible except to mathematicians. The analysis shows the horizontal development of the claims of one year to their complete settlement and payment, with the consequent savings appearing on the respective loss reserves. The conclusion

voiced by Mr. TUMA, however, is significant.

"The total profit or loss for one year," says, "is composed of several amounts, of which only a few are definite and the remainder provisional. This composition of the total profits contributes a certain elasticity to the account, but in reality insurance companies do not pretend to make direct profit out of the technical figures and are satisfied to distribute to the shareholders a dividend which is very seldom superior to

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CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. Louis H. Martin, Mgr.; Abner Thorp, Jr., Director Life Ins. Service Dept.; C. C. Crocker, Vice-President.

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in Little Rock, starting in 1908, when there were but few women soliciting life insurance. As manager of the women's department in Little Rock and St. Louis as well as a producer she has recruited many women to enter the life insurance field.

R. G. Simmons, who has represented a number of insurance companies in Nebraska, was elected chief justice of the Nebraska supreme court at the recent election. He was general counsel of the Cosmopolitan Old Line Life before its liquidation.

F. M. Flower, Louisville, has announced the marriage of his sister, Edna Millicent, to **I. Smith Homans** of Louisville. Mr. Homans is executive vice-president and actuary of the Commonwealth Life, with which he has been associated many years. Prior to that, he was assistant actuary of the Union Central Life. Mr. Homans is a brother of Sheppard Homans, general agent Equitable Society, New York City.

Mark S. Trueblood, general agent and inspector of agencies on the Pacific Coast for the Union Central Life, will leave Los Angeles Nov. 29 for a visit to the home office in Cincinnati, where he will spend a week, and then will return to Los Angeles via the Pacific Northwest, spending 10 days visiting the company agencies in Washington, Oregon and northern California.

E. L. Sisk, Wichita agent of the Business Men's Assurance, is headed for top place in sales for the year for the entire company, Bert A. Hedges, Kansas manager, believes. Mr. Sisk has chalked up 246 individual sales for the first ten

months, nearly one for each working day, and 81 in excess of his 1937 record.

Rex Bixby of Denver, well known in insurance circles, and Mrs. Bixby announce the arrival of a daughter, Muerial Dianne, Nov. 15.

E. J. Walkley, 54, assistant auditor of the John Hancock Mutual Life, in its employ for 35 years, died at his home in Marblehead, Mass.

Leonard Farmer, Toledo, O., district manager Life of Virginia, was wounded in the back by several birdshot pellets while hunting with a party of friends near Bowling Green, O., on the first day of the Ohio hunting season. His condition is not serious.

Harry M. Comins, Massachusetts Mutual Life general agent in Flint, was elected mayor of his city, winning on a platform of an impartial and business-like administration by a business man. Mr. Comins served two terms as president of the Michigan State Association of Life Underwriters, as well as heading the Flint group.

H. T. Dobbs, executive vice-president of the Industrial Life & Health of Atlanta and chairman of the executive committee of the Industrial Insurers' Conference, has been elected president of the Civic Association of Druid Hills, one of the most prominent suburban communities of Atlanta.

Mrs. Job E. Hedges, widow of the former general counsel of the Life Presidents Association, died Nov. 20 after an illness of several weeks. Mr. Hedges died in 1925.

NEWS OF THE COMPANIES

Girard Life Makes Changes in Staff

Several staff advancements were made by the board of the Girard Life. George A. Adsit, manager of agencies since



GEORGE A. ADSIT

1933, was elected vice-president in charge of agencies. W. L. Crawford, actuary, in addition was elected assistant treasurer. Joseph D. Morelli of the law firm of Brown & Williams, Philadelphia, counsel for the Girard Life, was elected a director.

Mr. Adsit is the author of various articles on life insurance selling and agency department management, and is widely known as a speaker on these subjects. He formerly was an educator connected with Syracuse University and New York State Normal School. After world war service he organized the George A. Adsit Company, real estate

and insurance office of Cortland, N. Y., which is now his home, then was field service manager of the John Hancock Mutual in 1926-1932.

Mr. Crawford, who was born in Scotland and educated at Glasgow, received his early insurance training in Scotland and later in London. He saw service in the British army 1915-1919, then for a time was actuary to the Mexican government at Mexico City. He became assistant actuary of the Great Southern Life in 1924 and actuary of the Girard Life in 1927. He is a fellow of the Faculty of Actuaries, Scotland associate of the Institute of Actuaries and London associate of the Actuarial Society of America.

Mr. Morelli has been active in the Girard Life's legal affairs. He was admitted to the bar in 1921 and is a member of the Philadelphia bar association.

Vinsonhaler Is to Aid Wood at John Hancock Head Office

John Hancock Mutual Life announces that George Vinsonhaler of Little Rock is being taken into the head office as agency assistant. He will work with J. Harry Wood, who is also an Arkansas product. Mr. Wood is manager of general agencies.

Mr. Vinsonhaler is president of the Arkansas Association of Life Underwriters. He has been an agent for John Hancock Mutual in Little Rock since 1934. He graduated from Princeton University in 1926. He was connected with the old Home Fire of Arkansas at Jackson, Mass., for a time. Then he served as office manager of the Robert M. Williams general agency in Little Rock. His father is Dr. Frank Vinsonhaler, dean of the school of medicine of the University of Arkansas.

Hamilton Business Reinsured

The business of the Hamilton Mutual Benefit Association of Chicago has been reinsured by the Modern Mutual Life, an assessment company in that city.

Your life insurance protects them...from what?

Do you know their
SEVEN VITAL NEEDS?

A Union Central Life representative, capable and understanding, will be glad to show you how you yourself can check your life insurance against the actual needs it might suddenly have to meet. No cost or obligation—mail the coupon.

I would like to see the Family-needs Forecast

Name _____
Address _____
City _____ State _____

THE UNION CENTRAL LIFE INSURANCE COMPANY
INSTITUTION...FOUNDED IN 1867
Cincinnati, Ohio
The Union Central Life Insurance Company

The FAMILY-NEEDS FORECAST gives each life underwriter “71 years of experience”

In the new Family-needs Forecast, the Union Central Life has embodied all it has learned in 71 years of experience, about the needs of fatherless families . . . has made this wealth of practical knowledge immediately available to every field representative.

With this unique sales aid, Union Central men are able to show a prospect an "X-ray" picture of the vital needs his family will have to face . . . are able to evaluate, to the dollar, how far his present insurance will go in caring for those needs.

With such an accurate diagnosis to go on, the underwriter can prescribe with authority policies to fill the gaps in the prospect's insurance program. The proof that these prescriptions carry weight is shown in the steadily mounting sales of Union Central representatives.

**The UNION CENTRAL LIFE
Insurance Company... CINCINNATI, OHIO**

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FRANK M. SPEAKMAN
CONSULTING ACTUARY
Associates
Fred E. Swartz, C. P. A.
E. F. Higgins
THE BOURSE PHILADELPHIA

Complete financial data, policy facts, rates and values in the 1938 Unique Manual-Digest. \$5. National Underwriter.

Prior to the transaction, the Hamilton had 650 policyholders, assets \$3,600. Ralph Manno, president of the Modern Mutual, licensed in 1925, is also head of the Modern Life & Accident, Chicago.

U. S. Life Now Awaits the SEC Approval in Financing

The United States Life now is awaiting the approval of the SEC before going ahead with its new financing whereby the capital will be increased from \$300,000 to \$500,000 and adding \$150,000 to surplus, as both the directors and stockholders have voted in the affirmative. It is expected that the additional shares will be offered to stockholders next month. Executive Vice-president G. M. Selser states that in spite of the economic conditions which have caused a decrease in the writings of new insurance generally, the company has shown an increasingly large volume each year since 1934. During the first nine months its new paid for business was \$7,284,506, increase 39.9 percent. The large volume in new business, he says, results in a temporary but immediate drain on surplus. Naturally all companies have suffered through reduction in asset values because of investments. During the first 10 months, Mr. Selser says, the company continues well ahead of the volume recorded for the same period last year. The ordinary new paid business shows an increase of 36.8 percent and the total 38.1 percent.

Great Republic Merger Completed

LOS ANGELES—The final contract of reinsurance whereby the Postal Union Life takes over the Great Republic Life has been signed and the Great Republic's home office has been moved to the Postal Union Life building in Hollywood. It is understood the Postal Union will keep the financial affairs of the two companies separate until the appellate division of the Los Angeles superior court rules on the appeal of a group of policyholders which sought to prevent the merger.

Meanwhile the Postal Union is going ahead with its plans for developing an agency plant and operating in California at least altogether on the agency basis. It will continue its mail activities in other states.

Akron Ohio State Leader

The Akron agency of the Ohio State Life was leader in a nation-wide campaign put on by the field force in honor of President Claris Adams. Pittsburgh was second; Chicago-Law, third; Detroit-Suffron, fourth; Los Angeles, fifth; Mansfield, sixth; Roxboro, N. C., seventh; Toledo, eighth; Cincinnati, ninth, and Cleveland, tenth.

Alfred Guay of Los Angeles ranked first among individual producers, followed by R. W. Law, Chicago; B. B. Knight, Roxboro; A. E. D'Emilio, Pittsburgh; C. R. Suffron, Detroit; C. Warley, Akron; J. C. McFarland, Cincinnati; M. J. Marasco, Erie, Pa.; E. S. Boyer, Harrisburg, Pa., and E. M. Sinclair, Akron.

Receiver for Louisiana Company

A receiver has been appointed for the Imperial Life of Shreveport, La. Secretary of State Conway alleged the company was unable to fulfill its obligations. E. N. Hankins was named receiver.

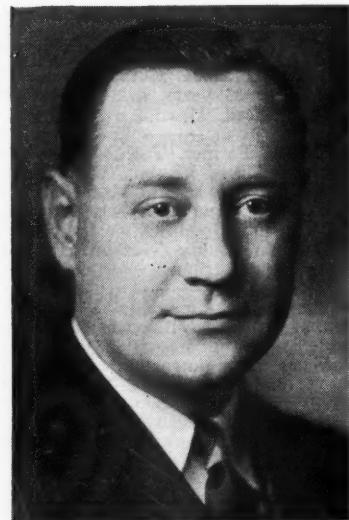
Manufacturers Life Changes

F. G. Osler of Toronto, who was already on the board, has been elected a vice-president of the Manufacturers Life to take the place of the late G. G. Mitchell. New directors are L. M. McCarthy of the stock brokerage firm of Mara & McCarthy, Toronto, and C. S. Band of Gutta Percha & Rubber, Ltd., also of Toronto.

Sherrick Has New Company

The Lincoln Benefit Life, a burial association, has been licensed in Nebras-

Bankers Life Agency Man Is Promoted



GEORGE A. HARPER

DES MOINES, IA.—The Bankers Life of Iowa announces the appointment of George A. Harper as assistant superintendent of agencies. He has been agency field supervisor since July 1.

He came to the Bankers Life in 1926 and since has been active in field organization work and especially in the development of the sales training course. During the first six months of this year he was acting agency manager in charge of the Cleveland office.

The Bankers Life also announced the appointment of Roy E. Frowick of the home office to the sales training department, where he will be assistant to Ben H. Williams, assistant superintendent of agencies.

ka. It is headed by C. H. Sherrick, formerly secretary-treasurer of the Western Union Life, recently merged with the Republic National of Dallas. His associates are J. S. Jones, Mayor O. S. Copeland of Lincoln, Dr. H. W. Orr, Herman and Joseph Ginsburg, attorneys; E. A. Kremer, B. M. Murdock and A. A. Ashworth.

Expects to Enter Michigan

The Confederation Life of Toronto plans to enter Michigan and to open a branch office in Detroit within the next few months, according to J. K. McDonald, executive-secretary, who was in Detroit studying prospects.

The Ancient Foresters' Mutual Life has given notice that it will apply at the next session of the Canadian parliament for an act to change its name to Toronto Mutual Life.

RECORDS

General American Life—In a "President's Month" campaign in honor of W. W. Head, the field force broke a two-year record when the written volume of new ordinary exceeded by 28.4 percent the business written in a similar contest in October, 1937. Increases were not sectional but were evenly spread through the 21 states in which the company operates, with substantial increases in St. Louis, Houston, Des Moines, San Antonio, Little Rock, Nashville and Oklahoma City.

The group department established 30 new master life cases, for a substantial increase over October, 1937. Accident and health business showed an increase of 58.7 percent over 1937. It was the tenth consecutive month that accident

production had exceeded the volume for the corresponding month last year.

Equitable Life of Iowa—October paid production was \$5,063,770, a gain of \$69,639 or 1.4 percent over October, 1937. This was the first month in which a volume gain has been made since September, 1937. The cumulative volume loss for the year to date is \$12,033,344 or 22.7 percent.

Iowa led all states with \$757,403, the largest monthly paid business recorded by any state the first ten months of 1938. Pennsylvania was second with \$691,931, and New York third with \$569,023. C. L. Smith of Bradford, Pa., led the field in personal paid production with \$139,208. He joined the Equitable March 12, 1938.

Ohio State Life—Life insurance written in October was 22 percent greater than in October, 1937. Accident insurance written was 154 percent greater.

Confederation Life—New business in October was the greatest for that month since 1930, according to C. D. Devlin, general superintendent of agencies. New insurance included \$3,404,025 ordinary and \$418,908 group. New business for the first 10 months is ahead 5 percent. Total insurance in force on Oct. 31 amounted to \$418,882,790, of which \$385,077,492 was ordinary and \$33,805,298 group.

Occidental Life, Cal.—In the first 10 months \$51,858,823 ordinary and \$9,304,608 of group business was written or a total of \$61,181,431 as against \$51,333,703 ordinary, \$8,578,638 group, and \$60,084,941 total for the same period of 1937.

Massachusetts Mutual Life—Fred Ditmars led all agents in October in paid for business. He is also secretary of the Life Underwriters Association of Northern New Jersey.

Eleven Years Record in App-a-Week Club

D. T. McKellar, general agent of the Illinois Bankers Life in Vandalia, Ill., on Nov. 1 rounded out his eleventh straight year as a member of its App-a-Week Club, which has an average membership of around 80.

He attributes his success largely to his determination to maintain his qualification in this club, in which he has now passed 572 weeks of consecutive membership.

"I determined long ago that, even though I live in a small town where the writing of large policies is limited, I could at least be persistent in the writing of life insurance," he said in addressing an agency meeting. "It has been necessary for me to start Monday morning and keep at it throughout the week, but I want to emphasize that I never tell my prospects that I must have their app—in other words I do not beg for business. I sell it on its merits.

"I have found this plan pays in many ways. It gives a steady flow of business and an endless chain of prospects. Of course I have won many prizes for club membership but I consider the benefits in keeping me everlastingly on the job overshadow all else."

Besides his exceptional record for weekly production, Mr. McKellar is also outstanding for the quality of business sold, having a very high persistency record, and an average of less than five not-taken policies per year during the 11-year period.

To Seek Ohio Legislation

COLUMBUS, O.—It is announced that at the session of the legislature starting Jan. 2 the Ohio department will try to have the life company rehabilitation law amended so as to give the department greater powers in dealing with embarrassed companies. Bills dealing with hospitalization associations will be introduced and while these are not strictly insurance measures, the department will have much to say about them. Fraternals will introduce bills permitting them to convert into old line, legal reserve, mutual companies.

NEWS OF LIFE ASSOCIATIONS

Life Insurance Goes Forward: Russell

F. D. Russell, president Security Mutual Life of Binghamton, N. Y., in a talk before the Utica (N. Y.) Life Underwriters Association, on the changes in the business and economic world, said that life insurance will play a very important part in enabling a man to plot the future for his family and at the same time to provide for himself on retirement or later old age. Continuing, he said:

"Where is life insurance going? I confidently believe that life insurance is going forward and upward to higher and higher levels of public service. So long as men will love their wives and families, so long as men shall die, or live to old age, so long as men shall conduct business, so long as children shall need college educations, just so long will there be a need for the service which only life insurance can effectively supply."

"As I see it, there are two yardsticks in life insurance selling. One is to make a living and the other is the production of happiness and contentment among your clients. Life insurance affords security for the salesman and at the same time gives him the opportunity to serve others. Gentlemen, any man who is just in the life insurance business for the money he may make would confer a great favor on the industry if he would resign at once. God placed each and every one in this world to do a job of serving his fellow men. Your job is only a small cog in that Divine plan and the earth is His vineyard. You made a wise selection when you chose your present vocation, but having chosen it, do your best work in serving your fellow man and thereby helping to build His kingdom. If you want to improve your lot, build a service station on it."

Even with Waste Eliminated Taxes Will Continue High

PITTSBURGH—"Taxes are necessary and not a nuisance when wisely and sanely levied and collected, and we are going to have to pay high taxes for some time for necessary and legitimate government operations for our security and protection," said Irvin Bendiner, Philadelphia tax expert at a joint meeting of the Pittsburgh Life Underwriters Association and the chamber of commerce. Mr. Bendiner, who is an agent of the New York Life, is also counsel of the Philadelphia Life Underwriters Association and the Pennsylvania state association.

"The real armament race has not yet begun. We are just entering a great preparedness campaign and there will need to be more taxes for the solution of our social problems.

"It is up to the business man today to fight for elimination of waste and extravagance in the use of his tax dollar because taxation has become a 30 percent silent partner in his business—a partner which has a priority lien and has to be paid regularly in full."

"The curve of business is upward. Our job is to keep it up. The world is in great confusion today, but I sometimes think we continue to keep the confusion stirred up to give us an alibi for not getting anything done."

Los Angeles Leaders Speak at San Diego Congress

The importance of knowledge in increasing an agent's confidence and in better serving the interests of his clients was stressed by Roy Ray Roberts, Los Angeles general agent of the State Mu-

tual Life, before the San Diego, Cal., sales congress. "As you increase your knowledge, you will be better able to serve the needs of your individual clients and the increased confidence which knowledge gives you enables you to increase your production," he said.

Mr. Roberts said that most life men have been educated through some particular course of their companies and that they should welcome an opportunity to join study groups in which the fundamentals are discussed from a purely institutional standpoint. He urged associations to sponsor educational programs in addition to the regular monthly meetings. He told how the course which will start in January in Los Angeles was organized.

Other speakers were: "Identifying My Prospect and Establishing Working Plans," Floyd W. Forker, manager of sales promotion Pacific Mutual Life; "Building a Sales Method to Meet My Type of Prospect," Walter J. Stoessel, Los Angeles general agent National Life of Vermont; "Sales Technique of the Presentation and Close," Walter G. Gastil, Los Angeles general agent, Connecticut General Life. The congress started with a stunt breakfast.

J. Roy Chafe, Acacia Mutual, was general chairman of the congress. R. Arnett, Pacific Mutual, is president of the association.

Announcement was made that a C.L.U. class would be started soon in charge of John H. Goodwin.

Conviction of Services Value Essential to Success

John H. Jamison, sales promotion manager Northwestern Mutual Life in Boston, spoke to the Salt Lake Association of Life Underwriters on "What Life Insurance Work Means to Me."

"One of my firm convictions is that the life insurance man's calling is creative—creative of manliness, self-reliance and security in the man who buys; creative of a wall of protection around his loved ones, that no disaster can tear down. Without that conviction too many are selling a piece of paper-wrapped around cash values, and doing it more because there's a commission in the case, than because he can see bright shining dollars going out to the wives and children, or coming back to the 'old man' in the sunset days of his life." If what the agent says to buyers comes from the heart, what was said and how it was said is of minor importance, said Mr. Jamison. Skill in presentation is

well worth cultivating because of the time and effort it saves. Parley Woolsey, United Benefit Life talked on current events. Harry Paul reviewed the new book "The Art of Persuading People."

Rhode Island—F. B. Summers, Boston, New England supervisor New York Life, spoke at the November luncheon in Providence. Maurice H. Stearns, general agent John Hancock Mutual Life and Rhode Island national committeeman, reported on the Houston convention.

Toledo, O.—George E. Lackey, Detroit general agent the Massachusetts Mutual Life, urged life men to send their sons to college to learn the insurance business. He said the time will come when universities will ground men in insurance, which he described as the most scientific of all businesses, a combination of law, mathematics and medicine. He said life insurance is a long way from the saturation point.

Cowley County (Kan.)—John B. Morris of Arkansas City has been elected president, succeeding Charles Cloud of Winfield. Agents of Winfield and Arkansas City compose the association.

Buffalo, N. Y.—Even if a man can pay the premiums, a very large life policy is difficult to get these days, H. J. Johnson, Pittsburgh, president National Association of Life Underwriters and Pittsburgh general agent Penn Mutual, declared. "It's hard to get companies to take a \$1,000,000 risk because when a man gets to the place where he can afford to buy a \$50,000 policy, he is usually burning the candle at both ends." Some companies, he said, will write a \$100,000 policy, but above \$300,000 the total is distributed among several companies.

Mr. Johnson said he is not apprehensive about the S. E. C. investigation of life insurance. There has been a big increase in writing insurance which provides specific incomes upon retirement. More women are being insured because a great deal of the money of America is passing into their hands.

Miss Helen Rockwell, Cleveland, chairman National association women's committee, spoke at a luncheon of women underwriters.

San Francisco—To stimulate the program for extended activities in public relations and educational work company managers and general agents have voluntarily increased their schedule of dues, retroactive to Jan. 1, 1938. At the same time directors voted to increase the annual dues of agent members \$2. The increase in the general agents' and managers' dues is \$15. President V. T. Motschenbacher announced that necessary changes in the constitution will be presented for ratification at a general meeting in December. Agents forwarding their 1939 dues before Dec. 31 will not be compelled to pay the \$2 boost.

It has also been proposed that the method of selecting directors be changed.

so they will be elected by the membership at large; three being elected each year. Under the present set-up directors are appointed by the president.

H. V. Montgomery, general agent State Mutual Life, chairman of the membership committee, has launched a campaign for 100 new members by the first of the year.

Southeast Kansas—H. A. Hedges, general agent Equitable Life of Iowa, Kansas City, discussed "Let 'Em Buy" at a dinner in Pittsburg, Kan. He will talk before life men of Junction City and Manhattan, Kan., Dec. 10, in the latter city.

Altoona, Pa.—W. M. Duff, president Edward A. Woods Company, Pittsburgh, addressed an evening meeting.

Corpus Christi, Tex.—Lucian Jones, president San Antonio association, spoke on "Your Responsibility to Your Business. He discussed the need for adequate preparation of the life underwriter for his work. He urged agents not to overlook the prospect of small means and developed the thought that often a \$1,000 policy means to the family of the poor as much as a \$25,000 would mean to the family of a man in good circumstances.

Columbus, O.—J. S. Drewry, general agent Mutual Benefit Life, Cincinnati, and president of the Insurance Federation of Ohio, will speak at the November meeting.

Springfield, Ill.—The speaker Nov. 28 will be A. E. McKeough, Chicago general agent Ohio National Life.

Waterloo, Ind.—Ralph M. Hamburger, general agent Northwestern Mutual Life in Minneapolis, spoke at a dinner meeting of the Northwestern Iowa association on "What Have They Got That I Haven't?" Hugh F. Patterson was in charge of dinner arrangements.

Dallas, Tex.—T. M. Green, million dollar producer of the Massachusetts Mutual Life in Oklahoma City, spoke on "Practical Ways of Selling Life Insurance."

Portland, Ore.—Arthur M. Cannon, accountant, spoke on "Taxation as It Affects Life Insurance."

Vincennes, Ind.—W. R. Baker, formerly Kansas insurance commissioner and now a Kansas City attorney, stressed the need for maintenance of high professional standards in the business. He emphasized that in communities where life underwriters associations were active that misrepresentation and twisting were eliminated and the interest of every citizen safeguarded. R. C. Gibson, Lincoln National, presided. E. C. Steinsberger, Prudential, was elected national committeeman.

Peoria, Ill.—Nearly 100 attended a luncheon meeting when John O. Todd,



"It Sure Does Help Me—

to write good quality business," writes a Western Life agent of his contract. "And good quality business is what keeps my Company and myself in the business of Life Underwriting. Bonuses and special inducements sure have far exceeded my expectations, and as I grow older with Western Life, I realize more and more possibilities I have heretofore overlooked."

WESTERN LIFE INSURANCE COMPANY

Helena Montana

R. B. RICHARDSON
President

LEE CANNON
Agency Vice President

Chicago, spoke on "Why Limit Ourselves?"

The Dec. 16 dinner meeting will be "ladies' night." Miss Helen Summy, Equitable Society, St. Joseph, Mo., former chairman of the Women's Quarter Million Dollar Round Table and president of the life underwriters association in her city, will speak on "Our Job as Life Underwriters."

Joliet, Ill.—Lorraine Sinton, sales production manager of the Paul W. Cook general agency, Mutual Benefit, Chicago, addressed the monthly meeting on "Practical Prestige Building," a subject on which she wrote a volume of the same title recently which has had wide distribution. This is the first time a woman has ever addressed the Joliet association.

R. E. Smith, who has been acting supervisor of the Newark agency of the Home Life of New York for about a year, has joined the Newark agency of the Massachusetts Mutual Life as a personal producer.

New Philadelphia Members Pledge to Observe Ethics

PHILADELPHIA—The Philadelphia Association of Life Underwriters has adopted a charge for the induction of new members which contains a code of ethics. It was used for the first time at the fall sales rally by Philip F. Murray, president, when he inducted 10 new members. The charge and code follow:

"Life insurance is essential to the financial protection of our nation's citizens. The universal recognition of its value is a direct result of the high sense of trusteeship which is the dominating characteristic of the operation of life insurance companies.

"The purposes and ideals of life insurance demand a certain definite standard of conduct on your part, as a life underwriter, if you are to merit and receive public confidence.

Outlines Code of Ethics

"So that there may be no uncertainty about the practices to be followed in measuring up to this standard, I charge you, in the interests of the Philadelphia Association of Life Underwriters, with the following code of ethics:

1. To understand insurance laws and regulations and to observe them in letter and in spirit.
2. To hold your business in high esteem and honor its prestige.
3. To devote yourself exclusively to life underwriting as a career, working consistently and according to a program.
4. To be fair in your relations with colleagues and competitors.
5. To keep your clients' needs uppermost.
6. To render continuous service to your clients and their beneficiaries.
7. To use all proper methods in enthusiastically persuading clients to protect insurable needs.
8. To present accurately and completely every fact essential to your clients' decisions.
9. To develop your ability and improve your knowledge through constant study.
10. To endeavor to submit only the applications of persons conforming to the physical, moral and financial requirements of your company.
11. To be loyal to your associates, your agency and your company.

"You, as underwriters, occupy a fiduciary responsibility toward your clients. Too much emphasis cannot be placed on exercising care not to divulge the accumulative secrets of your clients. Discussing what you have done for him constitutes a breach of honor.

"Whatever you recommend for the best interests of your client, be sure it is what you would like to have recommended to you if you were the client."

Read **The Industrial Salesman**, \$1.25 a year. 420 E. Fourth Street, Cincinnati.

Reno Appointed Agency Manager

Robert R. Reno, Jr., has been appointed agency manager in Chicago for the Equitable Society, succeeding W. L. Gottschall who was recently appointed director of agencies on the staff of Vincent S. Welch, second vice-president, Chicago. The official installation of Mr.



ROBERT R. RENO, JR.

Reno took place at an agency meeting, attended by the entire agency force and Messrs. Welch and Gottschall.

Mr. Reno, a native of Chicago, started with the Equitable as an agent in August, 1920, and was appointed an assistant manager in 1927 in which capacity he has served ever since. He is a large personal producer, having written better than half a million dollars a year

Files Takes Syracuse, N. Y. Post



HENRY PHILLIPS

Henry Phillips, general agent Northwestern Mutual Life at Syracuse, N. Y., for 21 years and with the company for over 40 years, will retire from active service Dec. 31. He will be succeeded by Henry M. Files, Cedar Rapids, Ia., for the last 10 years special agent under R. H. Pickford, general agent, and for 10 years previously with the Connecticut Mutual in that territory.

Before entering life insurance business Mr. Phillips, a graduate of Syracuse University, was active in the newspaper advertising field. He was charter member of the Marathon Club, 100 lives or more a year, formed in 1915-1916, and would have qualified for this club for many years before, had it been in exist-

on several occasions. He was awarded the C. L. U. designation in 1935, the only Equitable manager in Chicago to earn this degree.

W. H. Glines Made General Agent of Bankers National

The Bankers National Life of Montclair, N. J., has appointed W. H. Glines as general agent for San Francisco. He has opened offices in the Russ building.

Mr. Glines is a familiar figure in San Francisco. His entire career has been life insurance and he has had experience in field production work for the past 20 years with the Equitable Society. He recently resigned as superintendent of agencies for the west, realizing his lifelong ambition to build an agency of his own. For many years, Mr. Glines specialized in salary allotment insurance and was one of the pioneers in the development of that phase of insurance sales work, and many millions of dollars of life insurance are credited to him in building up that particular department for the Equitable.

New England Mutual Opens District Office in Dallas

Francis G. Bray, of Houston, general agent of New England Mutual Life, has appointed J. L. Price and R. F. Young (the Price-Young agency) as district representatives in north and east Texas. The district office is located in the Republic Bank building, Dallas.

Mr. Price comes to life insurance from a position as vice-president and sales manager of the John E. Morris Company, Dallas, one of the leading



HENRY M. FILES

ence during the time that he was making his record.

Mr. Phillips wrote his first 100 lives between Oct 12, 1897, and Dec. 31, 1898, a period of 15 months. The policies averaged less than \$1,500. In 1928 Mr. Phillips reviewed the records of these first 100 policyholders and found that meanwhile he had sold them \$1,049,000.

Mr. Files was born in Sioux Falls, S. D., in 1891. He attended the University of South Dakota and Coe College. He took up life insurance with the Connecticut Mutual in 1919. The past nine years he produced \$3,573,700. He has been active in agency and association affairs. He was a speaker at the Des Moines meeting of the National Association of Life Underwriters.

Chevrolet dealers. He has been associated with the automotive industry in Dallas for 18 years and has a wide and favorable acquaintance in the business and social life of the city.

Mr. Young has had 20 years of life insurance experience—for the past five years, manager at Fort Worth and field manager for Dallas with the E. F. White agency of Connecticut Mutual Life.

New England Mutual entered Texas April 1, 1938, with Mr. Bray as its general agent.

Unger Appointed General Agent of Occidental Life

George F. Unger, Chicago branch manager Occidental Life of California, has been appointed general agent for that company for the eight northeastern counties in Illinois including Chicago where he will have headquarters. Mr. Unger opened the Chicago territory for the Occidental November, 1936, being appointed branch manager at that time. Prior to that he spent 16 years with the Equitable Society in Chicago, 12 years as a unit manager and one as supervisor of salary savings.

Starting with the Equitable in 1920, he first became a unit manager of the Alfred Holzman agency. At the time of leaving the Equitable he was a unit manager of the Warren Woody agency. Prior to joining that company Mr. Unger was assistant auditor of expenditures for the Chicago, Milwaukee, St. Paul & Pacific railroad. Mr. Unger's new territory will include De Kalb, Lake, McHenry, Du Page, Kendall, Kane, Will and Cook counties.

Twin Cities Branches Are Joined; Two Advance

MINNEAPOLIS—Merger of the St. Paul and Minneapolis branch offices of the Sun Life of Canada was announced this week, with J. N. Mertz named as state manager. He formerly was in charge of the St. Paul office, which hereafter will be in charge of T. M. Donohue, for several years an active producer in the St. Paul office.

J. D. Serrill, who retires as Minneapolis manager, plans to remain in the Twin Cities but has not yet announced his definite plans. He is president of the newly formed Minnesota Association of Life Underwriters.

Steger Is Named Associate

John J. Steger, a past president of the Supervisors Association of the Massachusetts Mutual Life, has been appointed associate general agent by Anthony Veith and Ralph Lowenstein, St. Louis general agents.

He joined the agency in 1927 and served as assistant general agent under Chester O. Fischer, now vice-president, and later under Mr. Fischer's successor, E. W. Hughes, now general agent in Chicago. He continued in a similar capacity under General Agents Veith and Lowenstein.

Prior to joining the Massachusetts Mutual Life he was an assistant to Clause Fooshe, then manager of the ordinary department of the Prudential in St. Louis. He joined the Prudential as a cashier, but later entered the sales end.

Collins Wilmington Manager

O. D. Collins, Jr., has been appointed agency manager of the Equitable Society at Wilmington, Del., succeeding A. B. Dalager, who recently went to the home office as a second vice-president. Mr. Dalager was installed in office at a dinner attended by 100 members and guests. He is a native of Snow Hill, Md., a graduate of the Episcopal Academy of Philadelphia and Johns Hopkins University. He entered the service of the Equitable at Princess Anne, Md., in 1925, was appointed a field assistant in 1927 and transferred to Wilmington in 1928 as assistant agency manager. He has been in that post

for 10 years. He has been an active personal producer, paying for as much as \$300,000 a year.

Bankers National Names Two

Bankers National Life has appointed Isadore Jacobson as general agent in Perth Amboy, N. J. He has had an established insurance business for a long time, devoting most of his time to general insurance.

Abraham Wohlreich is appointed general agent for Irvington, N. J., and vicinity. He operates a successful general insurance agency and is a lawyer.

Lafayette Life at Cincinnati

CINCINNATI—H. L. Rosen has been appointed district manager Lafayette Life for southern Ohio and southeastern Indiana with headquarters at 1012 Enquirer building. Mr. Rosen has nearly 24 years' experience in life insurance, starting with the Metropolitan at South Bend, Ind., and most recently with the Peoples Life in the same city. A brother, J. A. Rosen, is manager of the Metropolitan at Newport, Ky.

Perry Made Dallas Manager

E. Gordon Perry has been named branch manager at Dallas by the American National of Galveston. T. P.

Stevens, formerly Dallas branch manager, was killed in an automobile accident several weeks ago. Mr. Perry a few years ago was one of the leading automobile and finance men in North Texas. He left the automobile business to enter insurance.

Named Associate General Agent

Winthrop Winslow has been appointed associate general agent with General Agent C. H. Stull of Providence, R. I., by the New England Mutual Life. Mr. Winslow is a graduate of the United States Naval Academy, resigned from the navy in 1920, and began his insurance career with the Massachusetts Mutual Life in Providence. He was general agent of that company there 1934-1938.

Anderson Gets Two States

Harold D. Anderson, for the past 10 years district agent of the Beneficial Life at Provo, Utah, has been appointed general agent for Oregon and Washington, with headquarters in Portland.

Hammatt Made General Agent

Walter E. Hammatt of Boston has been promoted by the Loyal Protective Life to general agent in Massachusetts. He has made an excellent record with

the Loyal as special representative and has had many years of experience in both accident and health and life insurance in that territory.

Shockey Named at Houston

The Colorado Life has appointed R. A. Shockey general agent at Houston, Tex. A law graduate of Creighton University at Omaha, Mr. Shockey was for several years with the Travelers in Tulsa, Okla., in the accident and health department.

Sullivan Made Supervisor

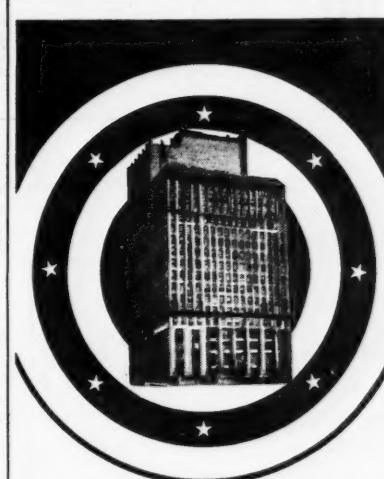
W. J. Sullivan, formerly an agent in Detroit, has been appointed supervisor of the R. E. Olmstead general agency of the Mutual Benefit Life in Providence, R. I. He has been with the agency the past year.

Bruce Named in St. Louis

C. R. Bruce has been named by the Security Mutual Life of Nebraska as general agent in St. Louis. He has long been a resident of that city and has represented there the Mutual Life of New York, Massachusetts Mutual and Minnesota Mutual.

Approve Great Lakes Life Plan

CLEVELAND—The proposed plan of the Pure Protection Life of Cleveland to change to old line legal reserve basis, titled Great Lakes Life, was approved at a special policyholders meeting, and the amendments and changes necessary to meet Ohio statutes were immediately forwarded to Superintendent Bowen for ratification. When this is received, the new plan will become immediately effective and will enable the company to offer many types of insurance contracts. Preliminary approval of the plan with commendation had been given by Mr. Bowen prior to the meeting.



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ALFRED FAIRBANK, PRESIDENT

Graff Named at Rockford for Minnesota Mutual



MYRON C. GRAFF

Myron C. Graff has been named general agent at Rockford, Ill., by the Minnesota Mutual Life, in charge of 15 northern Illinois counties. For the last three years Mr. Graff has been with the Bankers Life of Iowa as assistant to the agency manager in Kansas City, home office supervisor, and for the last two years as manager at Columbus, O. From 1931 to 1935 he was district manager at Racine and Madison, Wis., for the Mutual Life of New York and 1926 to 1931 was field assistant for the Travelers in Milwaukee. Mr. Graff joined the Minnesota Mutual on his 40th birthday and received flowers, wires and letters of congratulation from office officials and general agents.



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• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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LOS ANGELES, CALIFORNIA

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Business and Industrial Realtors
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Pacific Electric Bldg.
Los Angeles, Calif.

IVAN A. THORSON
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A Nation-wide Service
12th Floor Corporation Building
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R. G. HAMILTON & CO.
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PROPERTY MANAGEMENT
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CALIFORNIA (Cont.)

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MANAGEMENT
SALES APPRAISALS
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CONNECTICUT

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(Cont. on next Page)

AS SEEN FROM CHICAGO

PLAN EDUCATIONAL CONFERENCE

Staffs of the Samuel Heifetz and J. R. Hastie agencies of the Mutual Life of New York in Chicago will combine in a joint educational conference at the Blackstone hotel there Dec. 5. Both managers will speak on the all-day program, which will wind up at a dinner with a guest speaker. Mr. Hastie will extend welcome in the morning and Mr. Heifetz will make the closing remarks. C. J. Thim, Hastie agency organizer, will be morning chairman and D. O. McLeran, Heifetz agency organizer, afternoon chairman. The program will be made up of practical talks by agents, including: J. S. Hexton, "Action;" H. C. Marks, "Prospecting Plan for December;" G. A. Eddy, "What It Takes to Sell Life Insurance;" C. M. Cook, on the Mutual Life; P. S. Moon, "Capitalizing Contacts;" S. R. Cooper, "Endless Chain Prospecting Method;" L. L. Selig, on the National Field Club; T. D. Harvey, "Simplified Selling;" E. I. Krug, on the juvenile policy; M. H. Cazel, "Viewpoint of New Men in Life Insurance Business;" M. H. Andrews,

"Young Men as a Market;" D. S. Ehrlich, "Increasing Your Number of Contracts;" R. A. Graham, "Women—A Big Market;" and W. F. Dineen, "Business Insurance as I See It in 1939."

WELCH TO HAVE NEW QUARTERS

Second Vice-president V. S. Welch of the Equitable Society in Chicago and W. L. Gottschall, director of agencies of the central and western departments, together with their working office staff will soon be in new quarters on the 15th floor at 120 South LaSalle street. Mr. Welch since assuming his position in Chicago has been almost constantly on the road. With Mr. Gottschall now as his chief assistant he will be able to spend more time in Chicago. J. H. Chaillie, special assistant to Vice-president Welch, has been holding the fort during his chief's absence on trips.

TO DISCUSS ILLINOIS CODE

Henry S. Moser of Chicago, chairman of the insurance section of the Illinois State Bar Association, has called a

meeting for 2 p. m., Nov. 25, at the Stevens Hotel in Chicago, inviting the Illinois members of the insurance section of the American Bar Association to be guests.

Roy L. Davis, assistant state director of insurance, will speak on "Problems of Insurance Supervision." There will also be presented a complete report of the annotating committee which has been working on the Illinois code and which Chairman Moser announces it is hoped that it will be ready for delivery before the first of the year. A galley proof of substantially the entire work will be available for examination at the meeting.

PLAN SALES CONGRESS JAN. 24

At a meeting of the sales congress committee of the Chicago Accident & Health Association, of which E. H. Ferguson, Great Northern Life, and Clay Lundquist, Fred S. James & Co., are co-chairmen, it was decided to hold the Chicago association's sales congress the afternoon of Jan. 24, starting with a luncheon, probably at the La Salle Hotel. Mr. Lundquist will be directly in charge of the sales congress arrangements, while Mr. Ferguson is arranging for the mid-year meeting of the National Accident & Health Association, which will be held in Chicago the same week. That meeting starts on Monday, Jan. 23, with a meeting of the National Association executive committee in the morning and a discussion of National and local association problems in the afternoon. The morning of Jan. 24 will be devoted to a symposium on managerial problems and those in attendance will join in the sales congress in the afternoon.

The presence of National association leaders and officers of most of the local associations at that meeting and the further fact that a meeting of the general committee in charge of Accident & Health Insurance Week for 1939 will be held in Chicago the following day, Jan. 25, will make it possible to secure an especially strong list of speakers for the sales congress.

Mr. Lundquist is planning a well balanced sales congress program with four speakers, including a company man, a salesman with an outstanding record, a manager and an outside inspirational speaker.

meet for an hour Wednesday afternoons, starting at 4:30. Mr. Millett, who is an attorney skilled in tax and legal matters and has had ten years' life insurance experience, is illustrating his lectures by blackboard demonstrations involving actual cases. W. D. Baskett, Jr., and F. H. Morris, effective Dec. 1, will devote a part of their time to supervision, especially in connection with new agents' training.

Metropolitan Life Not to Give Up Reinsurance

NEW YORK—Reports that the Metropolitan Life is giving up its extensive reinsurance business are entirely without foundation, it was stated at the home office.

The report apparently arose from the Metropolitan's recent termination of a number of inactive treaties, under many of which no cases had been received for more than ten years.

While the Metropolitan is shifting its reinsurance basis away from automatic coinsurance, it has no desire to withdraw from the reinsurance field.

Early Policyholders Attend Founders Club Lunch

Two of the Continental American Life's earliest policyholders attended a luncheon at the home office given in honor of 31 agents who qualified as charter members of the "Founders Club." The qualifications were held in October, which annually is dedicated to the late Philip Burnet, who was president.

C. H. Rawlins of Bridgeville, Del., is the earliest policyholder, holding policy No. 10, but he was unable to attend the lunch. W. F. Sterling, Maryland banking commissioner, and A. E. Krause of Princess Anne, Md., were the policyholders present. Mr. Sterling told how he bought his policy and complimented the company.

Plaques were awarded to two agencies which led in new business per agency contract. These were the offices of M. J. Hancel, New York, and C. M. Carter, Meadville, Pa.

Mutual Benefit Veteran Elect

The new officers of the Veterans Club of the Mutual Benefit Life are: W. J. Adams, president; H. W. Hall, vice-president; D. B. Andrews, secretary, and Joseph Walden, treasurer.

Colorado Life in A. L. C.

The Colorado Life of Denver has been elected a member of the American Life Convention.

Booth Takes in St. Louis

ST. LOUIS—Roy Booth, trust officer of the National Shawmut Bank of Boston, spoke on "Boosting Sales by Cooperative Selling" at a meeting of the St. Louis Life Insurance & Trust Council.

State License Not Needed

HARTFORD—Commissioner Blackall of Connecticut has ruled that an agent of a company not licensed in Connecticut can canvass for business under a salary saving plan on military, naval, or CCC reservations, because the reservations are controlled by the federal government.

Judge Homer Batson, president Commonwealth Life, and D. G. Roach, vice-president and treasurer, were injured in an automobile accident near Morristown, Tenn. Judge Batson suffered a possible back fracture and broken ribs. Mr. Roach received cuts on his face and head. They were taken to the hospital at Morristown. They were en route from Florida to Louisville when their automobile collided with a coal truck.

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Economic Protection Form Issued by A. O. U. W.

The A. O. U. W. of North Dakota is issuing an "economic protection policy" which provides full protection to age 65, during which period premiums are paid; then premiums cease and the policy becomes paid-up for one-fourth of its original amount. The \$1,000 policy thus is composed of \$750 term insurance to age 65 and \$250 life paid-up at age 65.

The term portion has a surrender value which reaches its peak a few years prior to age 65, from which point it diminishes to expiration. The life paid-up to 65 portion has increasing values throughout. At age 65 the cash value is \$181 for all ages at issue. If the policy is surrendered for paid-up insurance prior to age 65 there is an element of paid-up term to 65 added to the paid-up life insurance purchased by the reserve on the permanent portion. This paid-up term element is approximately double the paid-up life value at all ages and durations.

Thus, if a policy is surrendered for paid-up insurance upon default in payment of premium, this paid-up insurance will reduce two-thirds at age 65. This policy may be converted to any other plan of insurance issued by the society, prior to age 60, and if such conversion is made prior to age 55 the change will be made without evidence of insurability. Premium rates are: age 16, \$12.88; 20, \$13.79; 25, \$15.28; 30, \$16.99; 35, \$19.38; 40, \$22.57; 45, \$27.13; 50, \$34.09; 55, \$45.83; 60, \$73.30. This insurance also may be placed on semi-annual, quarterly or monthly premium basis.

Assets Show Big Increase

OMAHA—The board of auditors of the Woodmen of the World announce completion of their semi-annual examination of the society's financial affairs. Gross assets showed increase of \$2,920,044 since the last audit and increase of \$2,343,393 since a year ago, according to De Emmett Bradshaw, president. A

SOME PERTINENT FACTS ABOUT Supreme Forest WOODMEN CIRCLE

• Total Membership	133,030
Total Protection	\$107,781,336
Written in 1937	13,041,035
Benefits Paid in 1937	1,643,312
Benefits Paid since Organization in 1895	38,799,018

Dora Alexander Tally, President
Mamie E. Long, Secretary
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THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892
A Legal Reserve Fraternal Benefit Society
Bess West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

N. F. C. Executive Group to Meet in Des Moines

The entire executive committee of the National Fraternal Congress will hold a special meeting in Des Moines Dec. 4, preliminary to the meeting there of the National Association of Insurance Commissioners.

It was found by Foster F. Farrell, executive secretary-manager N. F. C., Chicago, impossible to secure accommodations in the Hotel Ft. Des Moines, the commissioners' convention headquarters. The N. F. C. meeting will be held in the Kirkwood hotel. C. L. Biggs, recorder Macabees, Detroit, N. F. C. president, will preside.

nationwide membership campaign in October and November resulted in \$12,000,000 new business up to Nov. 9.

Urge Board Be Abolished

Recommendation to abolish the state fraternal board and place its functions directly under the insurance commissioner was made to Governor Marland of Oklahoma by Commissioner Read.

Macabees in Celebration

MILWAUKEE.—Seven hundred members of the Macabees from Wisconsin and Illinois attended 60th anniversary dinner. E. W. Thompson, Detroit, head of the society, was unable to attend but was represented by R. B. Parsons and J. B. Baker, Detroit. Evans Houtz, Wisconsin field executive, was in charge of arrangements. Following the formal program there was entertainment by lodge degrees and ladies' drill teams and dancing.

SEC Probe Starts with Metropolitan

(CONTINUED FROM PAGE 3)

securities to insurance companies to report such transactions in the same manner as they register issues to be sold to the public.

Under the present law, while a corporation may not sell stock to the public unless it is registered, there are no such formalities involved where it sells an entire bond issue to an insurance company by negotiation.

The field investigation is in charge of H. A. Blomquist, chief of survey of the monopoly study division of SEC. He is a certified public accountant and was formerly a special agent in the department of justice where he was engaged in accounting investigation work. By the end of this week he will have a staff of half a dozen men to assist him in his work in Metropolitan Life.

No Specific Reason

While no specific reason was given at the SEC headquarters in Washington for starting with the Metropolitan, it is believed that the main reasons were that the Metropolitan is a large company, the largest private financial institution in the world, and second, that while all life companies have been extremely cooperative in the SEC's investigation, the Metropolitan was among the first to offer its cooperation. It has not yet been decided in what order other companies will be taken up. The SEC did, however, make it clear that the work of its field agents at the Metropolitan does not constitute an investigation of the company.

The survey is being made, according to the SEC, "with the permission and authorization of the company." It is understood that the Metropolitan offered to aid the SEC by making available the records which the field agents

desire to inspect. Thus, no subpoenas were necessary. It is expected that similar procedure will be followed with other life companies whose records will be studied.

Hearings Held to Minimum

Indications that the use of public hearings in the monopoly investigation will be held to a minimum are contained in a statement released by Leon Henderson, coordinator of the administrative congressional investigation committee. The statement reads:

"It is the view of the executive committee that as a general practice it will not be necessary or desirable to have public hearings on reports submitted to the temporary national economic committee by the various departments and commissions. Certainly as respects reports based on material deducted at public hearings, a public hearing on such a report would be wholly unnecessary. As respects statistical and general economic reports, the same conclusion seems obvious. There may be however some types of reports on which there should be public hearings. In such cases it is recommended that the procedure for presentation of the report at a public hearing be worked out by the committee case by case."

"It is our conclusion that hearings based on data and evidence collected as a result of investigations and assembled by the various departments and commissions represented on the committee be conducted in the following manner:

(A) These hearings will be before the full committee or a sub committee as the case may be and presented by the representatives of the department or commission which has conducted the investigation, (B) the list of witnesses to be called will be prepared and submitted by the department or commission which has conducted the investigation, (C) each witness will appear under subpoena and testify under oath, (D) in all examination of witnesses the rules of evidence shall be observed but liber-

GO WEST YOUNG MAN

RECENTLY THE 13,000 MEMBERS OF THE ARTISANS LIFE ASSOCIATION OF PORTLAND, OREGON, WERE MERGED WITH THE MACCABEES. AS A RESULT THE ASSETS OF THE MACCABEES WERE INCREASED \$2,700,000 TO \$53,400,000 AND THE INSURANCE IN FORCE STEPPED FORWARD \$13,000,000 TO \$195,800,000. THE ADDITION OF THIS STERLING GROUP TO THE MACCABEES WILL STRENGTHEN OUR POSITION ON THE WEST COAST, DEMONSTRATING CONCLUSIVELY THAT THE OPPORTUNITIES WITH THE MACCABEES ARE UNLIMITED.

THE MACCABEES DETROIT, MICH.

1878 — 60th ANNIVERSARY — 1938

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Money invested in Life Insurance is worth just what it is represented to be when the Insurance was bought.

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ally construed (E) witnesses will not be allowed to substitute prepared statements for testimony nor will prepared statements dealing with facts be allowed to be introduced at the hearings except with the consent of the department or commission making the presentation unless the committee in a particular instance otherwise orders (F) at a later stage in the hearings opportunity will be afforded interested persons to present to the committee their views as to what solution or solutions of particular problems would be desirable or necessary the agenda for presentation of such suggestions should be prepared in the first instance by the respective departments and commissions and presented to the committee for approval before such hearings are held.

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to buy or to sell.
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LEAGUE OF INSURANCE WOMEN

Prospecting methods were discussed at the meeting of the League of Insurance Women. A feature of the gathering was a staged telephone conversation between Mrs. Gertrude Brandwein and Mrs. Ethel Cohen, illustrating the actual technique used in getting appointments for interviews.

Mrs. Fay Levy talked on business insurance prospecting. She said that a good way to make the prospect sit up and take notice is to look over his present insurance setup and point out possible flaws. Otherwise, she said, the prospect is not so likely to take seriously the women agent's ability and training.

Mrs. Helen Wolfson reviewed the prospecting ideas given by Manuel Camps, Jr., general agent John Hancock Mutual, New York City, in his talk in the New York City Life Underwriters Association's educational course.

Mrs. Lillian L. Joseph mentioned referred leads, neighborly contacts and the indirect method of getting people to ask what business the agent is in. Mrs. Joseph said that she devotes one week out of a month entirely to prospecting and that when she does her shopping she constantly uses this indirect prospecting method to promote business among people in the stores where she does business. She also mentioned client building through the planned estate system of her company, the Home Life of New York.

Margaret Hasbroeck, New England Mutual, uses simulated retirement annuity checks in her direct mail system of prospecting. She has found it very effective. As a newcomer in New York she said she needed some such system and the check plan has worked very well.

Marie Foulkes, Provident Mutual, and Bertha Loheed, Fidelity Mutual, were in charge of the program.

AGENTS WELL INSURED

The agents and supervisory staff of the R. G. Engelsman agency of the Penn Mutual Life in New York City practice what they preach, a survey revealed. The 25 agents have \$605,000 on their lives, an average of \$24,200 per agent. The group includes about 8 agents under 30, and several others who have only recently started in the business. The insurance of all the married men is programmed and about 25 percent of the insurance in force is on a retirement income basis.

In addition to what the agents own, there is \$414,000 on the lives of Mr. Engelsman, John Alexander, agency director and Eric J. Wilson, production manager, bringing the total insurance in force on the 28 lives to \$1,019,000. The office also participates in a group plan and hospitalization insurance.

The agency accepts no new man unless he has life insurance. Mr. Engelsman goes over each man's insurance problems with him at least once a year. He is a firm believer in the principle that men who sell insurance and advise on insurance problems should follow their own advice.

DINNER FOR L. E. SIMON

Every life agency in New York City was represented at the testimonial dinner to Lawrence E. Simon, general agent Massachusetts Life, in recognition of his achievements in the insurance field and his services to the New York and Brooklyn Federations of Jewish Charities. The dinner was sponsored by the life insurance division of the two federations. Mr. Simon was chairman of last year's insurance division in the federations' campaign for funds which support the 116 medical and social welfare institutions affiliated with the federations.

S. S. Wolfson, general agent Berk-

VIEWED FROM NEW YORK

By R. B. MITCHELL

shire Life, was general chairman for the testimonial dinner and is this year's chairman of the insurance division. F. S. Goldstandt, general agent Equitable Society was vice-chairman of the dinner committee.

FREID AGENCY PARTY

Celebrating a record-breaking October, members of the Freid agency of the New England Mutual Life in New York City were guests of their general agents at a luncheon. C. F. Collins, agency secretary, brought the home office's felicitations to Mr. Freid and his 40 guests. The agency is ahead of its 1937 production to date and has scored a plus for practically every month so far this year.

Because of its expanding business the agency will move to larger quarters about Jan. 15. These will be in the National City bank building, 42nd street and Madison avenue.

OCTOBER PRODUCTION

October production of ordinary business in New York city as estimated by the Life Insurance Sales Research Bureau, released through the New York City Life Underwriters Association, was \$48,374,000 as against \$51,257,000 for October, 1937.

DEVITT'S ANNIVERSARY

F. H. Devitt, manager Equitable Society, New York city, will celebrate his anniversary with the Equitable Dec. 2 at a luncheon at the Vanderbilt Hotel. Guests will be members of the agency, home office officials whom Mr. Devitt knew in his earlier association with the Equitable and his first five policyholders all of whom bought 20 payment life policies from him and kept them in force until they were paid up. Mr. Devitt was made a manager in 1932, for six years before that he was an assistant manager. He is an alumnus of Princeton having left during the middle of his course to go into the life insurance business.

Doctors Urge Wasserman Test on All Applicants

Elimination of the question, "Have you ever had syphilis?" from the life insurance application blank and the making of a routine Wasserman or precipitation test on all applicants was advocated by two doctors who presented a joint paper at the convention of the Southern Medical Association in Oklahoma City. The authors are Dr. T. W. Murrell and Dr. R. C. Manson, both of Richmond, Va.

If an applicant, who has had syphilis and does not mind being a liar, the doctors asserted, answers no to the question, that answer is accepted as full evidence.

Honest Man Plays Fool

"But if, being an honest man, he plays the fool and answers 'yes,' he thereby puts his neck in a noose, for the following happens:

"His case is held up, and if the policy is issued to him at all, is issued at a considerably increased rate. Even worse than this his confidence is in no way respected."

The doctors pointed out that the fact he had syphilis by his own admission is recorded, comes under the inspection of stenographers and clerks, and be-

comes the property of a central bureau. From a survey they found that .127 percent of those applying for insurance admit they have had syphilis, whereas, the doctors said, the national percentage of syphilis among insurance buyers is around 2 percent.

"The high standards of the medical department at times may run against sales promotion," they added.

"The very majesty of the proportions of life insurance companies makes little things unfit and it is a little thing to avoid Wassermans for their effect on sales; and a still smaller thing to violate the confidence of an honest man."

Report on Pilgrim National

The Illinois department has issued its report on the examination of the Pilgrim National Life, a stipulated premium company with home office at 166 West Jackson boulevard, Chicago, the report being as of Dec. 31. Its assets are \$74,801 and surplus \$8,080. The report says the cash position is deemed ample for current operating needs. The mortality experience has been favorable. The acquisition and administrative costs, the report says, have been moderate. The companies that it has re-insured, it having been licensed Nov. 8, 1933, are Sterling Life & Casualty, Fairfield Mutual Life, Continental Mutual Benefit, All American Mutual Benefit, St. Clair Mutual Benefit, Service Mutual Benefit, Mutual Benefit Society of the First Christian Church, Farmers & Merchants Benefit.

The four main officers are J. W. Welldon, president and treasurer; W. D. Hunnell, secretary; G. L. Lutterloh, assistant secretary, and Dr. W. D. McNally, medical director. It operates only in Illinois. It issues standard form life contracts on the American 3½ table. Its premium income last year was \$70,788, total income \$71,858, paid policyholders \$20,465, total disbursements \$50,585. Its net legal reserve is \$62,645. It had \$1,553,096 insurance in force.

Lawyers Denied Preferred Basis

JEFFERSON CITY — The Missouri supreme court denied a rehearing to Theodore Rassieur and Frank Pace, attorneys for the defunct Continental Life of St. Louis, who sought to have their claim for attorney's fees amounting to \$35,000 placed on a preferred basis. The high court in September ruled the fees were merely general claims.

A. N. Mitchell, president of the Canada Life, has been elected a director of the Canadian Bank of Commerce.

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Sales Ideas and Suggestions

Dawson Gives Suggestions on Effective Prospecting

CINCINNATI.—If agents reminded themselves more often about the fundamentals of life insurance, they would do a more effective job, C. P. (Pep) Dawson, general agent New England Mutual, New York City, said in an address on "Prospecting" before the Cincinnati Life Underwriters Association. An agent hasn't begun to grow up in the business until the idea of talking to his friends about life insurance seems natural to him, Mr. Dawson asserted. "Do you realize that your friends are using you as an excuse for not buying life insurance to other agents?" Mr. Dawson asked.

Three Parts in Selling

There are three parts in life insurance selling—the three "P's"—prospecting, turning up name of prospects; the presentation, direct selling or telling the story, and personal organization, seeing to it that things are running smoothly and putting emphasis on the important things. If a man were hired to do one of each, there would probably be perfect operation in every department. Prospecting is definitely an individual problem and must be coordinated to selling, Mr. Dawson declared.

He defined the perfect prospect as a three-point prospect: One who had the need, the ability to pay, and who was approachable on a favorable basis. Clay Hamlin, he said, refused to accept a man as a prospect unless he was the father of small children. The best and easiest sales are made to parents. If an agent has 10 prospects to see during the day, he should put the fathers first because they need life insurance the most.

Chief Question to Consider

Mr. Dawson said that a lot of agents fallaciously assume that because John Jones has an executive position, a nice desk, and a \$6,000 salary he has ability to buy. The question to consider is whether he is investing in any type of property at the present time, whether he is thrifty.

The surest way to secure a favorable approach is to have a favorable introduction. Developing natural contacts is best in the majority of cases. These are people the agent knew before he talked to them about life insurance. Mr. Dawson mentioned three sources of natural contacts which cost no money, parent-teachers association, Y. M. C. A. work, and church. "Is an evening a month going to P. T. A. meetings too much time to spend?" Mr. Dawson asked. He said that a service appeal should be used when an agent is seeing friends. Mr. Dawson said that he sold a fellow commuter by talking to him about his own life insurance program, suggesting that he talk to his own agent about the angles which Mr. Dawson brought out in his explanation. The reply was why should he see his own agent when the agent had not taken care of the contingencies which Mr. Dawson had explained. Mr. Dawson asked that everyone in the audience individually engage in some new outside activity along the lines suggested within the next 30 days.

Ask Leading Questions

Prospects and policyholders have a difficult time thinking of the names of other prospects for the agent unless he asks them a leading question. For example, an agent might ask Dr. Jones, "Who is the doctor in the next office?"

If an agent gives a policyholder a list of names of people engaged in his business or profession, it is an easy matter to obtain an excellent list of qualified prospects, Mr. Dawson said. The ques-

prospecting rather than selling. "Drop in to see the man whose name you saw in the paper. Tell him you dropped in to get acquainted and would like to talk over his problems at some time in the future," Mr. Dawson said.

Frequent inventories of the prospecting situation were recommended by Mr. Dawson. He suggested that agents sit down the first of each month and make up a list of new prospects to see. Map

out a prospecting campaign, he said. Take a handful of 3 by 5 inch white cards and make up a card for each friend and policyholder, recording the nature of the business, name of firm, place of residence, college background, fraternity, social clubs, athletic activities, church associations, civic activities, and hobbies. In this way many valuable leads may be obtained, resulting in a number of live prospects.

Simple, Two-Interview Sale on Program Basis Popular

NEW YORK—There is a strong tendency toward simplified program selling in all parts of the country, and it is producing remarkable closing ratios and high average size sales, R. B. Coolidge, superintendent of agencies Aetna Life, said in his address at the New York City Life Underwriters Association's educational series. There is no better way to increase immediate business and at the same time there is no more certain method of building a lasting clientele, he said.

The success of simple program selling is partly due to the fact that programming is a sensible, professional method of operation, that it gives to the policyholder a service of great value, and that it is a method ideally designed for the building of a permanent clientele, Mr. Coolidge said, although the principal reason for the current tendency toward program selling is the discovery that, properly organized, it is an exceedingly effective sales instrument.

Developed by Many Companies

"Many companies and agencies have developed effective, well organized programming methods and an individual underwriter who wishes to build his own plan can profit by the things which have been learned in this field," Mr. Coolidge said. "Most programming plans are on the two-interview system. During the first interview no attempt is made to sell life insurance, but this interview is nevertheless exceedingly important. The approach is on the service basis, and the underwriter attempts to sell the prospect on the idea of having his present insurance properly arranged. An effective method of approach is to use examples which will prove to the prospect quickly that the service can be of great value to him whether or not he may be in the market for new life insurance.

"Once this has been accomplished the

next step is to commit the prospect as to his minimum requirements. This is the most important step in the entire process, and requires very careful handling. As a rule the sale is made or lost at this point. The minimum requirements of the prospect should be established carefully and deliberately. The underwriter should then make every attempt to reduce the amounts established by the prospect. These should be cut down just as far as the prospect will permit or even until he complains that they are too low.

Rest Is Simple

"After the requirements have been finally established, it is only necessary to pick up the policies or secure certain data with regard to present insurance.

"In the second interview a proposal is presented which shows the prospect the best possible arrangement of his existing insurance. In most cases this will fall far short of the requirements which have been set up in the first interview, and the arrangement is completely unsatisfactory to the prospect. He is now ready to look at a plan which will carry out his minimum requirements and this, of course, includes the new insurance. If the salesman has sufficiently cut down the prospect's requirements in the first interview, it will be easier for the prospect to buy new insurance than to make any further reductions.

"Very frequently it is not possible to sell the prospect a sufficient amount of new insurance to complete his plan. Nevertheless, a compromise can be made and the sale of some amount of insurance is relatively simple. As a matter of fact, the close under these conditions is the easiest of any that I know of."

Return to Old, Successful Methods

DETROIT—If you are discouraged and in a slump, dig out the old canned sales talks you used to use and dust them off again, A. L. Dern, vice-president and director of agencies of the Lincoln National, told the Qualified Life Underwriters of Detroit. Mr. Dern was introduced by John B. Ames, Lincoln National general agent.

"You will be surprised to find that the old sales talks will work just as well for you today as they did before you reached that point where you felt you could do better without them," Mr. Dern declared. "Use common sense in your work; if you are not thoroughly sold on life insurance, by all means get into some other line. Few salesmen are good enough to make their stories sound convincing to their prospects if they are not convinced themselves. If you do not believe that life insurance will solve your prospect's problems better than anything else, don't try to make a living



C. P. DAWSON

tion which might be asked here is, "Does he make investments?"

Mr. Dawson finds it is effective to use a letter of introduction or "recommendation," as he termed it, addressed to the center of influence stating that the agent is going to call on his acquaintance because the agent feels that he can perform a service from what he has been told, referring to the center of influence as a person who knows the agent. The center of influence merely writes a note in the corner and 90 percent of the time there is no difficulty in securing the introduction.

Qualified List of Names

If an agent has a qualified list of names, he can be a careless prospector and still make good because the policyholder will make the selection for him. If a policyholder or friend does not wish to make an introduction, he can still qualify the list without giving an introduction and the agent can meet the person through some other source. The cold approach is a method of

"Once this has been accomplished the

FACT FILE INFORMATION

Income and Life Insurance Premiums

Year	National Income*	% of 1929	Total Premium Income**	% of 1929	% of National Income
1929	\$78,174,000,000	100.0	\$3,566,000,000	100.0	4.6
1930	72,872,000,000	93.2	3,748,000,000	105.1	5.1
1931	61,704,000,000	78.9	3,902,000,000	109.4	6.3
1932	48,487,000,000	62.0	3,605,000,000	101.1	7.4
1933	44,907,000,000	57.4	3,549,000,000	99.5	7.9
1934	51,004,000,000	65.2	3,740,000,000	104.9	7.3
1935	54,645,000,000	69.9	3,890,000,000	109.1	7.1
1936	62,056,000,000	79.4	3,870,000,000	108.5	6.2
1937	67,000,000,000†	85.7	3,996,000,000	112.0	6.0

*National income paid out as estimated by division of economic research in United States Department of Commerce.

**Includes premium income on ordinary, group, and industrial insurance. National Underwriter, May 6, 1938.

†Estimated by Standard Statistics.

(Prepared by Sales Research Bureau)

Clip and paste on 3x5 file card for future reference.

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 64 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

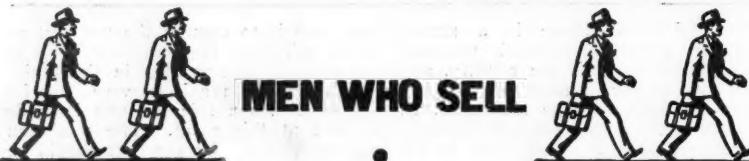
Basil S. Walsh
PRESIDENT

Bernard L. Connor
SECRETARY

John J. Gallagher
TREASURER

Independence Square

Philadelphia, Penna.



MEN WHO SELL

Designate the ROCKFORD LIFEMEN — Why?

- Because they are making SALES virtually every day. They have a policy for every need (from one year renewal term to 10 year endowment) and an amount for every purse (from \$100 to \$100,000). Investigate why our field force is growing rapidly.

Rockford Life Insurance Company

Francis L. Brown, President
Rockford, Illinois

Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)
No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

in the insurance business. You must be in dead earnest about your job.

"The first thing to do is to quit worrying. Worrying saps your strength and ambition and clouds your mind when you need it clear and sharp. It is not easy to go out day after day and meet discouragement, but force yourself to do it.

"Let us examine what constitutes the successful man in life insurance selling: He uses simple words, forceful words in his selling; he avoids wasted effort as he would the plague; he is proud to be in the upper brackets on the list of the company's producers, and guards his position jealously; he tries constantly for improvement, both in his own mind and in his selling methods; if he has hit upon a good, usable approach, he does not discard it until he hits upon another that is better.

Pays Tribute to Drudgery

"The successful man pays tribute to drudgery, he is not afraid of hard work; he is not arbitrary with his prospects, but recommends and suggests, thereby removes his interview from solicitation to consultation, himself from a salesman to an advisory expert.

"An examination of returned policies has shown us that 30 percent were not placed because the prospect was unable to pay for them, 4 percent because a competitor got the business and another 4 percent because the prospect was unemployed. Thus 38 percent of the returned policies could have been saved if the agent asked for settlement with the application. Don't forget that every interview has four definite purposes: first, to get the application; second, to make an appointment for the examination; third, to get settlement, and fourth, to get new prospects. Altogether too many agents forget at least two of these four purposes.

More Principal Required

"Remember that in the days when the prospects expected their funds to earn 6 percent for them, it required \$20,000 to yield \$100 per month. Today, when 3 percent is as much as they can expect, it requires a principal of \$40,000 to yield the same income. Have insurance premiums doubled? They have not. Remember that life insurance is still the one complete answer to the prayer, 'Give us this day our daily bread.'"

C. L. U.

Agency Officers' Fund Aids in C. L. U. Expansion Work

One of the reasons for the accelerated interest in the work of the American College of Life Underwriters and the Chartered Life Underwriter movement has been the Life Agency Officers Association's cooperative fund for underwriters training. This year \$30,579 has been contributed to the fund by 87 of the 115 companies with \$30,000,000 or more ordinary in force. Last year \$28,161 was pledged. Including the revenue derived from candidates representing companies not in the fund, this year's total revenue is approximately \$33,000.

Although the program was initiated a year ago, it has only been actively under way for about six months. This aid proved an immediate stimulus and study groups had increased approximately 40 percent by the end of June. This was a wholly spontaneous and voluntary response from the underwriters themselves.

Following the creation of the fund Prof. John P. Williams and Dr. B. E. Wyatt were retained as field representatives and they have been active in instituting study groups. The number of study groups increased from 97 in 1937 to 123 by June and since then 68 have been added, making a total of 191 at the present time. The study group enrollment is estimated in the neighborhood

of 3,000. The committee stressed the fact that these were all voluntary schools, maintained for the most part by the underwriters themselves.

A study of the production of 103 C.L.U.'s of one company shows that they averaged \$221,000 in paid business in 1937. Among the 261 C.L.U.'s who reported to the college in 1937, the average production was \$314,181 per man.

The C.L.U. work has an additional value, as educated life agents aid in public relations. It also keeps good men in the business by getting them interested in professionalizing their status.

The trend toward paid instructors increases the value of the instruction. On an average a class meets an evening a week for 30 weeks. Instructors in similar classes in night schools usually set a minimum of \$10 an evening and it was suggested by the committee that the present cooperative fund be increased to provide \$100 to \$300 a year for each group instructor.

Gives Some Advantages of Life Insurance Trusts

Cooperation of life men with lawyers, accountants, bankers, and trust officers in the best interests of their mutual clients was urged by R. H. Orbison, attorney and state secretary of the Indiana junior chamber of commerce, in an address before the Indianapolis C.L.U.

"In order to meet the needs of their clients, life agents are making use of life insurance trusts, often in conjunction with fixed life incomes from the proceeds of life insurance estates," said Mr. Orbison.

"Where discretionary powers are desirable in the administration of a life insurance estate, and it is desired to provide flexibility to meet emergencies and special contingencies, the life insurance trust is becoming increasingly popular. A trust agreement is particularly desirable where the situation of the insured person is of a complicated nature. Also where an insurance estate consists of numerous policies it is often desirable that it be brought under a single administration by a corporate trustee."

"In many instances a combination plan proves most desirable. In that case a portion of a life insurance estate is left with the life insurance company to be paid as a fixed monthly income. Another portion is administered by a corporate trustee with certain discretionary powers," said Mr. Orbison.

Richmond Enrollment 59

Fifty-nine life agents of Richmond, Va., are taking a course leading to the C. L. U. degree conducted by H. W. Vaden, Richmond, manager, Guardian Life, sponsored by the University of Richmond. Practically all the general agencies in the city are represented.

Record Class in Kansas City

The largest class in the history of the C.L.U. in Kansas City is holding sessions every Monday night in the Business Men's Assurance building. O. C. Neibel, Penn Mutual, is instructor for the eighth year.

Start "On to St. Louis" Drive

H. A. Hedges, Kansas City, general agent Equitable Life of Iowa and chairman of the "On to St. Louis" drive of the National Association of Life Underwriters, was in St. Louis last week going over preliminary details with the convention bureau and officers of the local association there.

Cleveland Life-Trust Meeting

The first dinner meeting of the season of the Life Underwriters-Trust Officers Club of Cleveland, Albert Journey, Chicago, vice-president of the Purse Co., Chattanooga, Tenn., spoke on "Estate Planning from the Layman's View-point."

COUNTRY LIFE INSURANCE CO.

Better than a million gain per month.

\$120,000,000 in force in 115 months.

**Home Office: 608 South Dearborn St.
Chicago, Illinois**



Protective

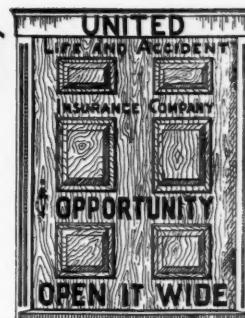
FOR the first six months of 1938, compared to the first six months of 1937, Protective Life's ordinary sales (in addition to group insurance) were 13.6% above the average for the country as a whole.

Protective Life's assets have, during the first six months of 1938, increased over twice as much as during the first six months of 1937.



LIFE INSURANCE CO.
William J. Rushton, President
BIRMINGHAM, ALABAMA.

Real Opportunity



Don't Knock. Write

THIS may be your real opportunity—don't knock. Simply write to the Agency Department of the United Life and Accident Insurance Company for the full story about our combination contract—life, containing double and triple indemnity, with weekly accident protection, non-cancellable and non-proratable.

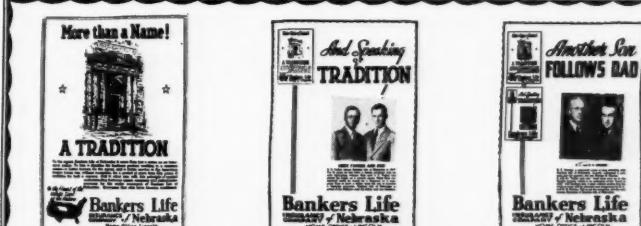
United Life and Accident Insurance Company agents increase their earnings selling this combination life and non-cancellable accident insurance.

Do you want to increase your earnings?

OPPORTUNITY KNOCKS—ACT NOW

Address your letter to:

William D. Haller, Secretary and Agency Manager
United Life and Accident Insurance Company
Concord, New Hampshire



Here's more
Teamwork



C. M. AND F. A. STEWART

Another father and son combination with Bankers Life of Nebraska is C. M. and F. A. Stewart, whose "teamwork" assisted their agency in leading the field in agency production during the month of August this year.

Teamwork counts with Bankers Life of Nebraska. Teamwork between agent and policyholder—teamwork between agent and company. Such teamwork pays dividends.

Bankers Life
INSURANCE COMPANY of Nebraska
HOME OFFICE • LINCOLN

Equitable Agency Items

SOME NOTES, FROM OUR WEEKLY PUBLICATION, THAT MAY INTEREST YOU



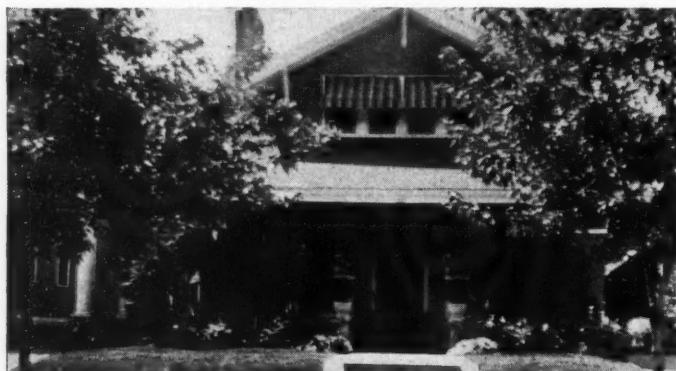
A Brilliant Record

In all life insurance circles, one of the most outstanding records in uninterrupted weekly production has been made by a representative of the Equitable at Grand Island, Nebraska — our own George Cowton. For nineteen years, George has turned in at least one application every week. In one day he established a record of 122 applications!



APPLAUSE FOR WOMEN

Associated with the Equitable as agents there are at present more than 1,000 women. The insurance they placed last year aggregated many millions. Their achievements are perhaps best illustrated by the 168 Club membership qualifications for 1937, each representing at least \$100,000 of insurance written during the year. Fifteen qualified for the Quarter-Million Club; six for the \$350,000 Corps; two wrote Half a Million or more. The total paid production of these 168 women Club members for the year was \$27,621,927.



A HOUSE THAT COMMISSIONS BUILT

John B. Thieman, Woodward Agency, Cincinnati, describes his delightful home as "a direct product of my efforts in representing the great Equitable for a quarter of a century, so that during my declining years, my wife and I might have a roof over our heads."

Now that he is in his eightieth year, Mr. Thieman is enjoying the full reward of his twenty-five years' work with the Society, of which he is very proud. He is still an active producer.

When Frank X. Shields recently got back into life insurance harness (with the Ott Agency, New York) after two years of star tennis-playing and movie-making, his first client was Michael Bartlett.

His approach to this popular singer of radio and screen, who recently starred in "The Three Waltzes," was based on pointing out new values in old possessions — and both agent and prospect became so enthusiastic about the Equitable policy the latter already had, that they increased it considerably.

"I never appreciated my life insurance so much as now," says Mr. Bartlett, "since my good friend, Frank Shields, pointed out the additional values to be found therein. I know of nothing with the same degree of security that can take its place."

THE EQUITABLE
FAIR — JUST
LIFE ASSURANCE
SECURITY — PEACE OF MIND
SOCIETY
MUTUAL — COOPERATIVE
OF THE U.S.
NATION-WIDE SERVICE

Thomas I. Parkinson, President
393 Seventh Ave., New York, N. Y.